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8 Attorneys for Plaintiffs

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 COUNTY OF SAN DIEGO

11 CITIZENS OVERSIGHT, INC., et al.,  
12 Petitioners and Plaintiffs,

13 v.

14 CALIFORNIA COASTAL COMMISSION,  
15 et al.,  
16 Respondents and Defendants.

Case No. 37-2015-00037137-CU-WM-CTL  
Assigned for All Purposes to the  
Honorable Timothy B. Taylor, Dept. 72

**DECLARATION OF MICHAEL J. AGUIRRE  
IN SUPPORT OF MOTION TO ENFORCE  
SETTLEMENT AGREEMENT PURSUANT  
TO CAL. CODE CIV. PROC. § 664.6**

Date: November 1, 2019  
Time: 1:30 p.m.  
Dept.: 72  
Judge: Hon. Timothy B. Taylor

Petition filed: November 3, 2015

17 I, Michael J. Aguirre, declare:

18 1. I am an attorney duly licensed to practice in the State of California. I am a partner  
19 with the law firm of Aguirre & Severson, LLP, which represents the petitioners in this action.  
20 The matters set forth in this declaration are true based on my own personal knowledge, except for  
21 those matters that are stated on information and belief and, as to those matters, I believe them to  
22 be true. If called upon as a witness to testify as to any matters set forth in this declaration, I could  
23 and would do so competently.

24 2. Attached hereto are true and correct copies of the following exhibits:

25 ///

<b>No.</b>	<b>Exhibits</b>
1	1 California Coastal Commission Findings on 16 December 2015
2	2 San Onofre Independent Spent Fuel Storage Installation (ISFSI) Proposed Location Near Shoreline
3	3 Stipulation for Dismissal of Action and Request for Court to Retain Jurisdiction to Enforce Settlement Agreement (and Order Thereon); Settlement Agreement (Attachment A)
4	4 Transcript excerpts of Nuclear Regulatory Commission's (NRC) Webinar on November 8, 2018
5	5 Transcript excerpts of Community Engagement Panel (CEP) meeting on August 9, 2018: Whistleblower David Fritch's and SCE's Tom Palmisano's statements re August 3, 2018 near drop incident
6	6 E-mail from Michael Aguirre dated 1 April 2019 re mediation discussion
7	7 Letter from Edward Casey dated 2 April 2019 re mediation discussion
8	8 E-mail from Nicole Burns date 7 August 2019 re status of the mediation discussion
9	9 E-mail from Michael Aguirre dated 25 September 2019 re request for SCE to pause downloading
10	10 Relevant pages of the NRC's Response to Freedom of Information Act Request dated 09 September 2019
11	11 San Onofre Independent Spent Fuel Storage Installation (ISFSI) site location
12	12 SCE Fuel Storage Report – Assemblies in ISFSI 592 and 481 in storage in 29 casks
13	13 Transcript excerpts of CEP Meeting 22 March 2018, SCE Tom Palmisano statements re Defective Shims
14	14 NRC Apparent Violations against SCE Contractor, Holtec, November 29, 2018
15	15 PowerPoint presentation of NRC's virtual webinar on 8 November 2018 regarding the San Onofre Special Inspection
16	16 Transcript excerpts of the NRC's virtual webinar on 24 January 2019 regarding the NRC's pre-decisional enforcement decision at the San Onofre nuclear site
17	17 Transcript excerpts of CEP Meeting on 28 March 2019, SCE Tom Palmisano statements re failure to timely report safety incidents to NRC

3. On 11 June 2015, Southern California Edison (SCE) applied to the California Coastal Commission for a permit to “construct and operate an Independent Spent Fuel Storage Installation (ISFSI) to store spent nuclear fuel from SONGS Units 2 and 3.” The Coastal

1 Commission staff found that “[t]his fuel is highly radioactive and requires secure storage for  
2 thousands of years to prevent harms to humans and the environment[,]” and that the nuclear waste  
3 site “would eventually be exposed to coastal flooding and erosion hazards beyond its design  
4 capacity,” yet the Coastal Commission approved a permit to allow SCE to store 3.8 million  
5 pounds of nuclear waste in its proposed storage site along the coast. A true and correct copy of  
6 the Coastal Commission’s “Summary of Staff Recommendation” is attached hereto as Exhibit 1.

7 4. SCE’s proposed project location was on the San Onofre site in the North Industrial  
8 Area, which is approximately 100 feet from the shoreline. Attached as Exhibit 2 is a true and  
9 correct copy of images of SCE’s proposed storage site.

10 5. In an effort to stop SCE’s placement of nuclear waste in a location that the Coastal  
11 Commission staff found would be exposed to coastal flooding and erosion hazards, this litigation  
12 was initiated to prevent SCE from entombing the nuclear waste in one of San Diego’s beaches.

13 6. While the case was set for a hearing, the parties reached a Settlement Agreement  
14 where SCE agreed to make a “Commercially Reasonable [] effort to relocate the SONGS Spent  
15 Fuel to an Offsite Storage Facility...” On 28 August 2017, the Honorable Judith F. Hayes (the  
16 judge originally assigned to petitioners’ case) issued an order dismissing the case “conditioned on  
17 the Court retaining jurisdiction” pursuant to Cal. Code. Civ. Proc. § 664.6. A true and correct  
18 copy of the Court’s order, which included the Settlement Agreement, is attached as Exhibit 3.

19 **Information Revealed Since the Court’s Order Retaining Jurisdiction**

20 7. Since the Court’s order retaining jurisdiction, the Nuclear Regulatory Commission  
21 (NRC) has published its observance of SCE engaging in ongoing safety violations at the San  
22 Onofre nuclear waste site.

23 8. During a virtual webinar hosted by the NRC regarding the San Onofre Site on 8  
24 November 2018, NRC staff identified numerous deficiencies involving the operation of the  
25 vertical cask transporter. A true and correct copy of the transcript for the NRC’s 8 November  
26 2018 meeting is attached as Exhibit 4. The NRC’s webinar revealed, amongst other things, the  
27 following:  
28

1 First, the training program did not ensure the vertical cask transporter operator was  
2 capable of performing the canister download;

3 Second, SCE procedures did not provide adequate instructions for the monitoring  
4 of critical parameters during the canister downloading;

5 Third, SCE used a vertical cask transporter operator with no prior experience to  
6 download a spent fuel canister into the vault, with no supervisory oversight;

7 Fourth, SCE procedures did not provide adequate instruction for monitoring of  
8 critical parameters during download processes;

9 Fifth, SCE used a spotter with no prior experience to download a spent fuel  
10 canister into the vault with no supervisory oversight;

11 Sixth, SCE had no cameras for management and supervisory oversight to observe  
12 a download;

13 Seventh, the SCE spotter did not know how to determine the important-to-safety  
14 slings for slack;

15 Eighth, communications during the download were informal, and failed to relay  
16 critical information;

17 Ninth, the SCE VCT operator fully lowered the vertical cask transporter  
18 crossbeam, and communicated that the canister was fully loaded, lowered into the  
19 vault. The canister load was unsupported by lifting equipment for approximately  
20 53 minutes;

21 Tenth, SCE used negative training. SCE trained staff with canisters smaller than  
22 the actual canisters used at San Onofre. The training canister provided about three  
23 quarter of an inch more clearance; this made the lining and lowering the training  
24 canister much easier than would be experienced during actual downloading  
25 operations. Staff conducting downloading operations were not trained on the  
26 differences, when training does not match the actual conditions;

27 Eleventh, during downloading operations, San Onofre frequently experienced the  
28 bottoms of canisters getting caught on the shield ring. SCE never identified the  
misalignments as conditions adverse to quality; consequently, San Onofre never  
implemented actions that would have prevented the August 3rd [2018] event. (Ex.  
4, pp. 8-9)

Exhibit 4 has been annotated with numbers to direct the court's attention to these findings  
for the convenience of the court.

1           9.       The Community Engagement Panel (CEP) is a group that meets to discuss issues  
2 pertaining to San Onofe. On 9 August 2018, the CEP held a publicly noticed meeting at which a  
3 gentleman by the name of David Fritch appeared. He described himself as an industrial safety  
4 worker at San Onofe, and he spoke publicly in what appeared to be a capacity of a whistleblower.  
5 After hearing his comments and reviewing the SCE speakers and information as to 3 August 2018  
6 misalignment incident, it was clear SCE failed to report it to the NRC. A true and correct copy of  
7 excerpts from the transcript for the 9 August 2018 meetings is attached as Exhibit 5, with the  
8 relevant excerpt marked and appearing below:

9           MR. FRITCH:

10           Thank you. My name is David Fritch. I am a worker on the ISFSI<sup>1</sup> project. I do  
11 fieldwork as -F-R-I-T-C-H -- I'm industrial safety, so OSHA stuff, not nuclear  
12 stuff, but I'm out there. And I may not have a job after tomorrow for what I'm  
13 about to say, but that's fine, because I made a promise to my daughter that if no  
14 one else talked about what happened Friday, that I would. About 12:30 August 3rd  
we were downloading, and the canister didn't download but the rigging came all  
the way down. It was gross errors on the part of two individuals.

15           \*\*\*

16           There were gross errors on the part of two individuals, the operator and the rigger,  
17 that are inexplicable. So what we have is a canister that could have fallen 18 feet.  
18 That's a bad day. That happened. You haven't heard about it, and that's not right.  
\*\*\*

19           I've been around nuclear for many years. Here's a few things I've observed in the  
20 three months I've been here: SCWE, the safety conscious work environment,  
21 where people are constantly given encouragement to raise concerns, it's not  
22 repeatedly or even -- **I've never even received SCWE training** since I've been  
on-site; that's not standard for a nuclear site.

23           **Operational experience is not shared.** That problem had occurred before, but it  
24 wasn't shared with the crew that was working. We're undermanned. **Don't have**  
25 **the proper personnel** to get things done safely. It's certainly undertrained. Many  
26 of the experienced supervisors - what we call CLSs, cask load supervisors, once  
27 they understand the project, how everything works, are often sent away and we get  
new ones **that don't understand** as well as -- as even the craft, basic  
construction in craft. A lot of them that haven't been around nuclear before,  
performing these tasks. Not technicians, not highly training, not thorough briefs.

28           <sup>1</sup> ISFSI refers to the San Onofre Independent Spent Fuel Storage Installation.

1 This is an engineering problem. What happened is inside of that cask there is a  
2 guide ring about four feet down, and it's to guide that canister down correctly to be  
3 centered in the system. Well, it actually caught that. And from what I understand,  
4 it was hanging by about a quarter-inch.

4 \*\*\*

5 [P]eople have **said Edison's not forthright about what's going on.** I'm sure  
6 they'll tell you they were going to bring this out once it was analyzed, et cetera, et  
7 cetera. I'm sure they've been preparing what they would answer if it comes out.  
8 And I came here tonight to see if this event would be shared with the community,  
9 and **I was disappointed to see that it was not.** \*\*

10 I'm just talking about downloading, getting the fuel out of the building safely --  
11 and -- and are we going to address what would have happened if that canister  
12 would have fallen? **Even if the shell wasn't penetrated, now will they take it in  
13 a repository site?** But the question is: Will Edison and Holtec commit to  
14 defining success primarily in terms of nuclear safety? And there will be -- will  
15 there be transparency, commitment to safety and the financial commitment to  
16 make sure that it's done successfully? Thank you. (Ex. 5, pp. 104-107)

17 10. In light of the above information, petitioners requested mediation as was required  
18 pursuant to the Settlement Agreement as a precursor to bringing a motion to enforce the  
19 settlement. The parties attended an in-person session of mediation in January 2019 before the  
20 Honorable Gail Andler, retired Superior Court Judge. Without revealing confidential discussions  
21 during that session, the parties engaged in discussion and were to continue to do so under the  
22 mediation process. Accordingly, since then, the parties have engaged in communication back and  
23 forth regarding SCE's settlement obligation to make commercially reasonable efforts to relocate  
24 the nuclear waste to a safer location.

25 11. On 1 April 2019, I followed up on the mediation discussions and asked SCE's  
26 counsel for the ability to "take limited deposition and document discovery..." A true and correct  
27 copy of this communication is attached as Exhibit 6.

28 12. On 2 April 2019, SCE's counsel (Edward Casey) sent my firm a letter regarding  
the mediation. A true and correct copy of this letter is attached as Exhibit 7.<sup>2</sup>

13. One of the mediation attendees, Mr. Ron Nichols – President of SCE, passed away  
in June 2019. As would be expected, the mediation discussions were on hold.

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<sup>2</sup> Since this letter is a confidential communication, the attached document is redacted. Defendant is in possession of this document, and a copy will be provided to the court at the hearing for this motion.

1           14.     On 7 August 2019, Nicole Burns the case manager at JAMS Mediation,  
2 Arbitration and ADR Services, e-mailed both parties stating: “At your earliest convenience please  
3 advise as to the status of the finalized settlement of this matter.” A true and correct copy of this e-  
4 mail is attached as Exhibit 8.

5           15.     On 25 September 2019, I e-mailed SCE’s counsel (Edward Case and Linda  
6 Anabtawi) stating: “SCE has promised to make a ‘commercially reasonable effort’ to relocate the  
7 waste from the beach at San Onofre to a safer location. Under the applicable covenant of good  
8 faith and fair dealing, SCE is required to load the waste so it can be relocated. SCE’s  
9 downloading record has put a cloud over the storage canister that make it infeasible to relocate  
10 them unless corrective action is immediately taken. We are requesting SCE pause the  
11 downloading to allow the parties to develop a corrective action plan.” In response, SCE’s counsel  
12 Edward Casey stated: “Acknowledging receipt. We will evaluate and respond to you.” A true and  
13 correct copy of this e-mail thread is attached as Exhibit 9.

14           **Recent Information Revealed Regarding SCE’s Canisters**

15           16.     Most recently, I have made several requests to the NRC pursuant to the Freedom  
16 of Information Act (FOIA) regarding the ongoing safety violations occurring at the San Onofre  
17 nuclear waste site.

18           17.     On 9 September 2019, the NRC disclosed some records to me regarding records of  
19 communication between SCE and the NRC regarding inspections done at the San Onofre nuclear  
20 waste site. One of the documents disclosed was a “NRC Review Question Response Form,”  
21 which discussed surface defects found on canisters at the San Onofre site; NRC inspector Lee  
22 Brookhart wrote (as set forth in Exhibit 10, attached hereto):

23           The original [Final Safety Analysis Report] statement for no scratches mirrored  
24 the CoC/TS design basis that no scratches would ensure the code adherence to  
ASME [American Society of Mechanical Engineers] Section III.

25           Now under 72,.48, a design change is needed to deviate to allow scratches. But  
26 instead of using ASME BPVC code criteria to inspect the canister and properly  
27 disposition the defects which would maintain conformance to the code, the  
calculation utilizes Archard’s wear equation to bound the condition. I just don’t  
see how that meets [Certificate of Compliance].

28           \*\*\*

1 ASME Section III NB-2538, "Elimination of Surface Defects" requires that  
2 defects are required to be examined by either magnetic particle or liquid penetrant  
3 method to ensure that the defect has been removed or reduced to an imperfection  
4 of acceptable size.

5 Instead of doing that (which I understand is impossible) which would maintain  
6 code compliance, the 72.48 deviates using a calculational method to bound the  
7 defect.

8 18. Also disclosed as part of the NRC's response to my FOIA request was a "HI-  
9 STORM MPC Visual Assessment Report" dated 29 March 2019. A true and correct copy of the  
10 NRC's response and relevant pages disclosed are attached as Exhibit 10.

11 **Additional Background Information Regarding SCE's Downloading Operations**

12 19. As part of the Settlement Agreement, I receive progress reports on the spent fuel  
13 waste being loaded at San Onofre. I have been informed SCE began loading the spent fuel into a  
14 temporary storage at San Onofre in January 2018 along the shoreline. A true and correct copy of  
15 the site location is attached as Exhibit 11.

16 20. In total, SCE seeks to move 2,668 spent fuel assemblies from San Onofre's spent  
17 fuel pools in Units 2 and 3. SCE moved the nuclear waste from the spent fuel pools to dry storage  
18 in canisters buried partially underground. This was part of its new Independent Spent Fuel  
19 Storage Installation (ISFSI) using the Holtec UMAX Dry Storage System. Altogether SCE  
20 proposes to store 2,668 fuel assemblies in multi-purpose canisters ("MPC") in dry storage at San  
21 Onofre. As of August 2018, SCE had moved 40% or 1,067 assemblies from the spent fuel pools  
22 to dry storage. A true and correct copy of the most recent "San Onofre Nuclear Generating  
23 Station Monthly Spent Fuel Progress Report" and "Status Report" sent to me by SCE on October  
24 1, 2019, is attached as Exhibit 12.

25 21. Under the Settlement Agreement, SCE promised to use commercially reasonable  
26 efforts to move the 2,668 fuel assemblies to an offsite facility. However as set forth herein, the  
27 NRC's statements call into question whether the scratches and lack of adherence to the CoC will  
28 compromise SCE's ability to *ever* move the waste off site. I am concerned that for SCE to fulfill  
its obligation to use commercially reasonable effort to move the nuclear waste to a safer location,

1 prudent operations must be required now so as to preserve the ability to transfer the fuel to an  
2 offsite location in compliance with the intent and common purpose of the Settlement Agreement.

3 22. The first four canisters into which SCE loaded spent nuclear fuel at San Onofre,  
4 contrary to what SCE told the Coastal Commission, were **not** approved by the Nuclear  
5 Regulatory Commission (NRC). A true and correct copy of the Coastal Commission's findings is  
6 attached as Exhibit 1, which states:

7 As a part of its licensing processes, the NRC has reviewed the design of the HI-  
8 STORM UMAX (version MSE) system and the supporting documentation and  
9 analyses supplied by Holtec, the manufacturer (e.g., Holtec FSAR, CoC  
10 amendment application). In the Preliminary Safety Evaluation Report (SER)  
11 supporting the September 8, 2015, final approval of an amendment to the UMAX  
12 system's Certificate of Compliance, the NRC determined the following: *F3.3 The applicant has met the specific requirements of 10 CFR 72.236(g) and (h) as they apply to the structural design for spent fuel storage cask approval. The cask system structural design acceptably provides for*

13 *o Storage of the spent fuel for a certified term of 20 years. F3.4 The applicant has met the requirements of 10 CFR 72.236 with regard to the inclusion of the following provisions in the structural design:*

14 *o Adequate structural protection against environmental conditions and natural phenomena.*

15 *o Structural design that is compatible with retrievability of spent nuclear fuel (SNF).*

16  
17  
18  
19 *The staff concludes that the structural properties of the structures, systems and components of the CoC No. 1040, Amendment No. 1 are in compliance with 10 CFR Part 72, and that the applicable design and acceptance criteria have been satisfied. The evaluation of the structural properties provides reasonable assurance that the HI-STORM UM.AX Canister Storage System Amendment No. 1 will allow safe storage of SNF for a licensed (certified) life of 20 years. This finding is reached on the basis of a review that considered the regulation itself, appropriate regulatory guides, applicable codes and standards, and accepted engineering practices. (Ex. 1, pp. 37-38) (emphasis added).*

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24 23. On 22 March 2018, during a Community Engagement Panel meeting, SCE's Tom  
25 Palmisano admitted that the first four canisters SCE used to load the spent fuel at San Onofre  
26 were a "new design." A true and correct copy of the audio transcript for the 22 March 2018  
27 Community Engagement Panel meeting is attached as Exhibit 13. During the meeting Mr.  
28

1 Palmisano stated:

2 MR. PALMISANO: This is the basket we put the fuel in. \*\* [T]his is basically a  
3 rectangular device in a circular canister. So to complete building that out as a  
4 circle, we have aluminum shims on the periphery that are installed around the  
edges of the basket. And the shims are generally hollow.

5 They serve two purposes. One, they provide lateral support for the basket. \*\*  
6 And when the fuel is in there and the basket heats up several hundred degrees,  
they tighten up against the shell. And then it's a flow path for helium that comes  
out of the top of the fuel assemblies and goes down through the shims.

7 \*\*

8 [T]he helium would flow up from the bottom, through the fuel assemblies, and  
down through these hollow shims.

9 What -- has been found -- Holtec and a family of canisters, including ours, use  
10 **two types** of these aluminum shims \*\*.

11 **There's a newer design they've used for several years, they've used for many  
of their customers that have these pins in the bottom.**

12 \*\* So what the issue that has been found is, **we have found** a broken pin in an  
13 empty canister before it was loaded. \*\*

14 [W]hen we became aware of this, it's important to know that we found this out  
**after we loaded the first four canisters**, and they have the **newer design**. Okay.  
15 \*\* So once we found this in a canister \*\* I put the remainder of those 43 canisters  
on hold. \*\*

16 And we concluded that the older design was acceptable, not subject to this pin  
17 breakage. So we've loaded the fifth canister, which is the older design. And we  
will continue to load the canisters with the older design because it's not  
18 susceptible to this problem.

19 We communicate with the NRC, so they're well aware of it, both in the region and  
headquarters.

20 \*\* So we have four canisters loaded with this design where we have found a  
21 broken pin. \*\*

22 So we aren't going to use any more of that design.

23 \*\* So we're satisfied the four canisters are safe to perform all their safety  
functions in storage. (emphasis added) (Ex. 13, pp. 76-77)

24 24. When SCE's Palmisano was asked why SCE did not simply put the four canisters  
25 back in the fuel pools and reload them, he admitted it would take over two or three years just to  
26 develop the techniques needed:

27 ///

28 ///

1 So nobody has unloaded a commercial canister either a bolted cask or a welded  
2 cask or canister. \*\* The biggest technical issue that we've looked at in the  
3 industry over the many years -- not just related to SONGS is the thermal transient  
4 to actually reintroduce water into a -- let's say a canister with hot fuel, 200-300  
5 degrees C. \*\*

6 [T]his would probably be a **two- to three-year project** to develop the techniques,  
7 pile up the techniques. The NRC would want to have explicit approval on this  
8 because of the radiological hazards. \*\* Well, to the workers, yeah.\*\* (Exhibit 13,  
9 pp. 85-87) (emphasis added)

10 25. The NRC found two apparent violations of NRC rules were committed in  
11 connection with the "Shim Stand-Off" problem. A true and correct copy of the NRC's Inspection  
12 Report 07201014/2018-201 is attached as Exhibit 14. The letter states:

13 **Apparent Violation A:**

14 10 CFR 72.146(a), "Design control," \*\* measures must be established for the  
15 selection and review for suitability of application of materials, parts, equipment,  
16 and processes that are essential to the functions of the structures, systems, and  
17 components which are important to safety.

18 Contrary to the above, \*\* on or after August of 2016, Holtec failed to establish  
19 adequate design control measures as a part of the selection and review for  
20 suitability of application for alternative four-inch stainless **steel standoff pins**.

21 **Apparent Violation B:**

22 10 CFR 72.48(d)(1) requires \*\* a written evaluation which provides the bases for  
23 the determination that the change does not require a CoC<sup>3</sup> amendment pursuant to  
24 paragraph (c)(2) of this section.

25 Contrary to the above, as of July 19, 2018, \*\* Holtec failed to perform a written  
26 evaluation to demonstrate that a design change for multi-purpose canister stainless  
27 steel standoff pins did not require a CoC amendment. \*

28 26. On 8 November 2018, NRC hosted a virtual webinar regarding the inspection of  
the San Onofre nuclear site. A true and correct copy of the NRC's PowerPoint presentation is  
attached as Exhibit 15. The following pictures were shown during the presentation, the text  
alongside each photo was the NRC's description of the photo, which can be found in Exhibit 4:

///  
///

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<sup>3</sup> CoC refers to a Certificate of Compliance.

1 This photo shows the flat bed transporter with a transfer cask meeting up with the  
2 vertical cask transporter. The transfer cask, with the canister inside, is moved from  
3 the fuel building to the ISFSI pad used in a flatbed transporter (Ex. 4, p. 6):



15 A vertical cask transporter is used to move the transfer cask into position on the  
16 ISFSI pad, the vertical cask transporter is also used to align the transfer cask and  
17 the canister for downloading operations. (Ex. 4, p. 6)

18 This photo shows the mating device used to connect the transfer cask to the ISFSI  
19 vault. The mating device has a hydraulic door to allow access from the transfer cask  
20 into the ISFSI vault. As you can see, the mating device is open in this photo. (Ex. 4,  
21 p. 6-7)



1 This photo shows the vertical cask transporter being aligned to the mating device,  
2 the vertical cask transporter is positioned over the mating device, properly aligned,  
3 and then they're bolted together. The mating device door is closed during this  
4 process. (Ex. 4, p. 7)



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21 This picture shows the spotters, those are the people in the lift baskets, pulling the  
22 slings through the sheaths on the vertical cask transporter crossbeam. The  
23 important-to-safety yellow slings are connected to the canister through lift cleats in  
24 the shield cone and anchored to the vertical cask transporter. (Ex. 4, p. 7)

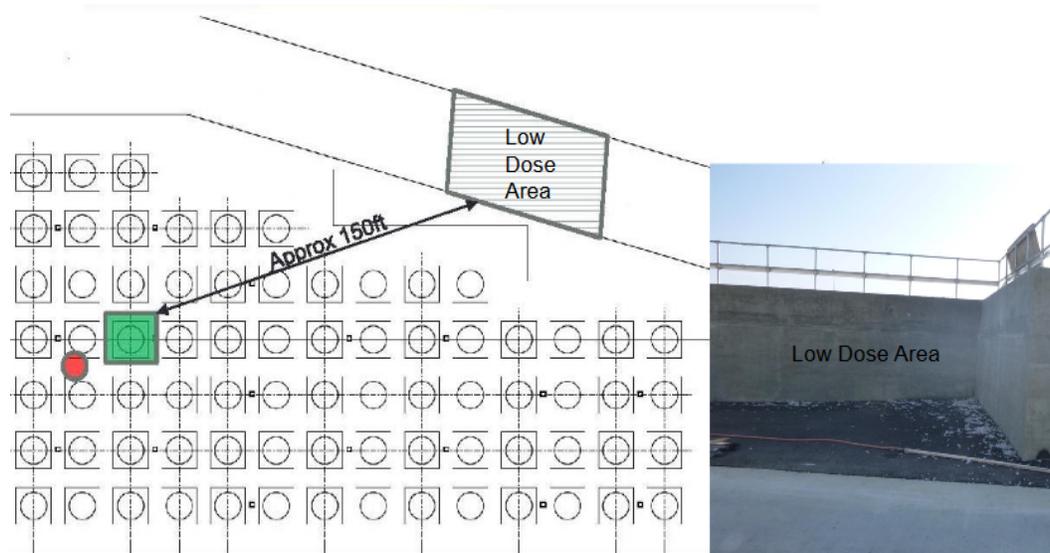
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This photo shows the canister ready for downloading, the vertical cask transporter lift beam has been raised, and the full load of the spent fuel canister is being suspended. The mating device door is open, allowing the canister to be downloaded into the ISFSI vault. (Ex. 4, p. 7)



1 This slide shows a schematic of the ISFSI pad, and the location of the low dose  
2 waiting area. The slide also shows a photo of the view from that location, as you  
3 can see from the photo to the right, the low dose waiting area has an obstructed  
4 view of what is happening out on the pad. (Ex. 4, p. 6)



13 Before downloading, all oversight staff, other than the spotter and the vertical cask  
14 transporter operator, are moved to the low dose area. From this position, **none of**  
15 **the management or supervisory oversight staff from San Onofre or Holtec**  
16 **could observe the downloading** of the canister. San Onofre oversight staff **did not**  
17 **have radio headsets**, and **did not monitor communications** between the cask  
18 loading supervisor, spotter, and vertical cask transporter operator. (Ex. 4, p. 7-8)

17 This slide shows photos of the vertical cask transporter, and the control panel. The  
18 vertical cask transporter operator attempted to lower the canister into the vault by  
19 lowering the vertical cask transporter lift beam. (Ex. 4, p. 8)





# EXHIBIT 1

## CALIFORNIA COASTAL COMMISSION

43 FREMONT, SUITE 2000  
SAN FRANCISCO, CA 94103-2219  
VOICE AND TDD (415) 904-5200  
FAX (415) 904-5100



December 16, 2015

Thomas J. Palmisano  
Vice President Decommissioning & Chief Nuclear Officer  
San Onofre Nuclear Generating Station  
Southern California Edison  
P. O. Box 4030  
San Clemente, CA 92674

Re: **Correction to CDP No. 9-15-0228**

Dear Mr. Palmisano,

Commission staff has become aware of an error on the front page of Coastal Development Permit (CDP) No. 9-15-0228, which was approved by the Commission on October 6, 2015, issued on December 4, 2015 (following the fulfillment of several "prior to issuance" conditions), and signed by you on December 7, 2015. As issued, the permit states that it has been granted to "Thomas Palmisano, Southern California Edison Company", which is correct, but incomplete. Based on your application materials, and as clarified in correspondence between Commission staff and SCE representatives dated November 5 – 9, 2015, the Commission approved CDP No. 9-15-0228 with Southern California Edison serving as the applicant on behalf of its co-participants in the ISFSI Project, including San Diego Gas and Electric Company, the City of Riverside, and the City of Anaheim. This information was mistakenly not included in the CDP as issued. The corrected language on page 1 of the CDP should read as follows (additions shown in underline):

"On October 6, 2015, the California Coastal Commission granted to **Thomas Palmisano, Southern California Edison Company, on behalf of its co-participants (San Diego Gas and Electric Company, the City of Anaheim, and the City of Riverside)**, this permit subject to the attached Standard and Special conditions, for development consisting of the **construction of an Independent Spent Fuel Storage Installation (ISFSI) to store approximately 75 fuel storage modules containing spent nuclear fuel. The proposed project also includes an aboveground security building, a new security fence, and associated lighting and security equipment.** The project is more specifically described in the application filed in the Commission offices."

A corrected version of page 1 of the December 4, 2015 CDP is attached for your records. Please substitute this corrected page into your copy of the permit. If you have questions about this matter, please contact Joseph Street in the Energy, Ocean Resources and Federal Consistency Division at (415) 904-5249.

Sincerely,

A handwritten signature in cursive script that reads "Joseph Street".

JOSEPH STREET  
Environmental Scientist  
Energy, Ocean Resources & Federal Consistency Division

cc: Kim Anthony, SCE

RSAR-00542

**CALIFORNIA COASTAL COMMISSION**

ENERGY, OCEAN RESOURCES AND FEDERAL CONSISTENCY DIVISION  
13 FRENCH STREET  
SUITE 2000  
SE (415) 904-3200 FAX (415) 904-3400  
[WWW.COASTAL.CA.GOV](http://WWW.COASTAL.CA.GOV)



Page 1

December 4, 2015

Permit Application No.: 9-15-0228

**COASTAL DEVELOPMENT PERMIT**

On October 6, 2015, the California Coastal Commission granted to **Thomas Palmisano, Southern California Edison Company, on behalf of its co-participants (San Diego Gas and Electric Company, the City of Anaheim, and the City of Riverside)**, this permit subject to the attached Standard and Special conditions, for development consisting of the **construction of an Independent Spent Fuel Storage Installation (ISFSI) to store approximately 75 fuel storage modules containing spent nuclear fuel. The proposed project also includes an aboveground security building, a new security fence, and associated lighting and security equipment.** The project is more specifically described in the application filed in the Commission offices.

The development is within the coastal zone at **San Onofre Nuclear Generating Station (SONGS), 500 Pacific Coast Hwy., San Diego County.**

Issued on behalf of the California Coastal Commission by

Charles Lester  
Executive Director

A handwritten signature in black ink that reads "Joseph Street".

Joseph Street  
Environmental Scientist

RSAR-00543

## CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000  
SAN FRANCISCO, CA 94105-2219  
VOICE AND TDD (415) 904-5200  
FAX (415) 904-5400



# Tu14a

Filed: 6/11/15  
180<sup>th</sup> Day: 12/8/15  
Staff: J. Street - SF  
Staff Report: 9/25/15  
Hearing Date: 10/6/15  
Commission Vote: 11 - 0

## ADOPTED FINDINGS: REGULAR PERMIT

**Application No.:** 9-15-0228

**Applicant:** Southern California Edison Company

**Co-Applicants:** San Diego Gas & Electric Company, City of Anaheim, City of Riverside

**Location:** San Onofre Nuclear Generating Station, San Diego County.

**Project Description:** Construct and operate an Independent Spent Fuel Storage Installation (ISFSI) to store spent nuclear fuel from SONGS Units 2 and 3.

**Commission Action:** Approval with conditions.

---

## SUMMARY OF STAFF RECOMMENDATION

On behalf of its co-participants (San Diego Gas & Electric Company, City of Anaheim, and City of Riverside), Southern California Edison Company (SCE) proposes to construct and operate a temporary facility to store spent nuclear fuel produced at the San Onofre Nuclear Generating Station (SONGS), on Camp Pendleton, in northern San Diego County (**Exhibit 1**). The facility, known as an Independent Spent Fuel Storage Installation (ISFSI), would consist mainly of a partially-below grade concrete and fill berm surrounding an array of 75 fuel storage modules, which would contain and protect stainless steel casks filled with spent fuel. The ISFSI would be located within the SONGS North Industrial Area (NIA), the former site of the decommissioned Unit 1 power plant, adjacent to and seaward of an existing ISFSI facility permitted in 2001

(Exhibit 2).

SONGS Units 2 and 3 were shut down in 2012, and some 2668 spent fuel assemblies remain in wet storage pools in the Units 2 and 3 fuel handling buildings. This fuel is highly radioactive and requires secure storage for thousands of years to prevent harm to humans and the environment. Because the existing ISFSI does not have the capacity to hold the remaining spent fuel, a new ISFSI is being proposed in order to provide for the interim storage of the spent fuel until such time as it can be accepted at a federal permanent repository or other off-site interim storage facility. Removing the fuel from the existing wet storage pools would also facilitate the full decommissioning of SONGS Units 2 and 3 and the restoration of the site. The ISFSI is proposed to be installed beginning in 2016, fully loaded by 2019, and operated until 2049, when SCE assumes that the federal Department of Energy will have taken custody of all of the SONGS spent fuel. The facility would then be decommissioned, and the site restored, by 2051.

At present, there are no feasible off-site alternatives to the proposed project. No permanent fuel repository or other interim storage facility exists, and there are no near-term prospects for such a facility. SCE evaluated several on-site locations and ISFSI designs, and found the proposed project to be preferable in terms of site suitability and geologic stability, security, and cost, among other considerations. However, additional potentially superior on-site locations will become available for consideration upon completion of Units 2 and 3 decommissioning in 2032.

Within SCE's proposed 35-year timeframe, the siting and design of the ISFSI would be sufficient to assure stability and structural integrity against geologic hazards, including seismic ground shaking, slope failure, tsunamis and flooding, and coastal erosion, without requiring shoreline protection. Operation of the ISFSI would not involve the discharge of contaminants into coastal waters, and the implementation of construction BMPs designed to control runoff and prevent sediment and debris from entering the storm drain system would protect water quality and marine resources. Because of its location within the previously-developed SONGS site, the ISFSI would not interfere with coastal access and recreation within the proposed project life and would not significantly degrade visual resources so long as the other SONGS facilities remain in place.

Crucially, however, it remains uncertain whether it will be possible for SCE to remove the ISFSI as planned, in 2051. In the event that no permanent repository or other offsite interim storage facility emerges, if the shipment of SONGS spent fuel to an off-site location is otherwise delayed, or if the steel fuel storage casks proposed for use in the ISFSI (which is certified by the Nuclear Regulatory Commission for a 20-year period of use) degraded to the point of becoming unsafe to transport, the proposed ISFSI could be required beyond 2051, possibly for many decades. The ISFSI would eventually be exposed to coastal flooding and erosion hazards beyond its design capacity, or else would require protection by replacing or expanding the existing SONGS shoreline armoring. In either situation, retention of the ISFSI beyond 2051 would have the potential to adversely affect marine and visual resources and coastal access.

In order to address these uncertainties, and assure that the ISFSI facility remains safe from geologic hazards and avoids adverse impacts to coastal resources over the actual life of the project, the Commission adopts **Special Condition 2**, which authorizes the proposed development for a period of twenty years and requires SCE to return for a CDP Amendment to

9-15-0228 (Southern California Edison)

The storage cask that would be used in the proposed ISFSI, the Holtec model MPC-37, is constructed from corrosion-resistant stainless steel, with a design life of 60 years (Holtec 2014a, b). With implementation of a monitoring and maintenance program, as well as an Aging Management Plan to be developed as a condition of license renewal for the HI-STORM UMAX system beyond the initial 20-yr term, SCE expects the service life of the ISFSI and casks to be at least 100 years (SCE 2015b). SCE does not anticipate that major repairs to the ISFSI or components would be needed within either the 60-year design life or 100-year service life of the system, but has stated that corrective actions and contingency plans will be developed in the future as a part of the Aging Management Plan (*see* Subsection A, above).

While the designs of the ISFSI and fuel storage casks appear to be robust, there are several uncertainties. The first is that the stainless steel MPCs will be in continual contact with moist, salt-laden marine air, and as a result could, over time, experience a type of degradation known as stress corrosion cracking. The initiation and growth of stress corrosion cracking in stainless steel fuel storage casks are not fully understood and remain a topic of active research, but these processes are likely to be accelerated in a coastal environment such as at SONGS (e.g., Kain 1990; Bryan and Enos 2014; EPRI 2014). Commission staff is not aware of any documented instances of stress corrosion cracking in fuel storage casks at other nuclear power plants. However, the NRC has collected evidence of stress corrosion cracking in other welded stainless steel components at several coastal nuclear power plants (Dunn 2014). The components in question had been in service for 16 to 33 years (average 25 years), and estimated crack growth rates ranged from 0.11 to 0.91 mm/yr. Elsewhere, the NRC has estimated that at least 30 years would be required for the initiation of stress corrosion cracking in steel fuel storage casks (NRC 2014).

Additional long-term uncertainties remain due to lack of completion of SCE's proposed MPC monitoring and maintenance program. Based on information provided to staff, SCE would implement the following measures: (a) the monitoring of environmental conditions, such as temperature and humidity, that could influence the risk of corrosion and degradation of the stainless steel MPCs; (b) visual observation, surface measurements, and other inspection techniques to provide information on the physical condition of the MPCs; and (c) use of an empty cask ("coupon") as a surrogate for filled casks to allow for more thorough inspection and evaluation (SCE 2015f). However, SCE has also indicated that the "non-destructive examination techniques" and "remote surface inspection tools" that would be used to inspect the storage casks have not yet been developed or tested for effectiveness, and it is unclear when they would be available for use at SONGS. It must also be noted that the only existing requirements for the development of a monitoring and inspection program are associated with the Aging Management Plan required for *renewal* of the 20-year NRC license for the ISFSI system. Though SCE has indicated that it would seek to begin the monitoring and inspection of the ISFSI components well before the end of the initial license, it is possible that no detailed inspection of the casks would occur within the first 20 years of their emplacement.

As a part of its licensing processes, the NRC has reviewed the design of the HI-STORM UMAX (version MSE) system and the supporting documentation and analyses supplied by Holtec, the manufacturer (e.g., Holtec FSAR, CoC amendment application). In the Preliminary Safety

Evaluation Report (SER) supporting the September 8, 2015, final approval of an amendment to the UMAX system's Certificate of Compliance, the NRC determined the following:

*F3.3 The applicant has met the specific requirements of 10 CFR 72.236(g) and (h) as they apply to the structural design for spent fuel storage cask approval. The cask system structural design acceptably provides for*

- *Storage of the spent fuel for a certified term of 20 years.*

*F3.4 The applicant has met the requirements of 10 CFR 72.236 with regard to the inclusion of the following provisions in the structural design:*

- *Adequate structural protection against environmental conditions and natural phenomena.*

...

- *Structural design that is compatible with retrievability of spent nuclear fuel (SNF).*

*The staff concludes that the structural properties of the structures, systems and components of the CoC No. 1040, Amendment No. 1 are in compliance with 10 CFR Part 72, and that the applicable design and acceptance criteria have been satisfied. The evaluation of the structural properties provides reasonable assurance that the HI-STORM UMAX Canister Storage System Amendment No. 1 will allow safe storage of SNF for a licensed (certified) life of 20 years. This finding is reached on the basis of a review that considered the regulation itself, appropriate regulatory guides, applicable codes and standards, and accepted engineering practices. [Emphasis added]*

As described previously, the Commission is preempted from imposing regulatory requirements concerning radiation hazards and safety. However, in order to find the project consistent with the geologic hazards policies of the Coastal Act and in recognition that the project itself proposes interim temporary storage for eventual transport to a federal or other off-site repository, the Commission must have reasonable assurance that the SONGS spent fuel will continue to be transportable, and the ISFSI itself removable, as long as the facility occupies its proposed location. The 20-year NRC licensing and certification of the structural adequacy of the proposed ISFSI system provides such assurance within this limited timeframe, and is roughly consistent with the limited available evidence on when stress corrosion cracking may begin to affect certain stainless steel components in marine environments. Thus, in order to minimize the possibility that the proposed ISFSI would become unremovable, and thus subject to long-term geologic hazards necessitating the use of shoreline protection devices, the Commission adopts **Special Condition 2**, which authorizes the proposed development for a period of twenty years from the date of approval (i.e., until October 6, 2035), and requires that SCE apply for a CDP Amendment to retain, remove or relocate the ISFSI facility prior to the end of this term. Among other things, Special Condition 2 requires that the CDP Amendment application be supported by evidence that the fuel storage casks will remain in a physical condition sufficient to allow off-site transport, and a description of a maintenance and inspection program designed to ensure that the casks remain transportable for the full life of the amended project. The Commission also adopts **Special Condition 7**, which requires that, as soon as technologically feasible and no later than October 6, 2022, SCE provide, for Commission review and approval, a maintenance and inspection program designed to ensure that the ISFSI system and fuel storage casks will remain

# EXHIBIT 2

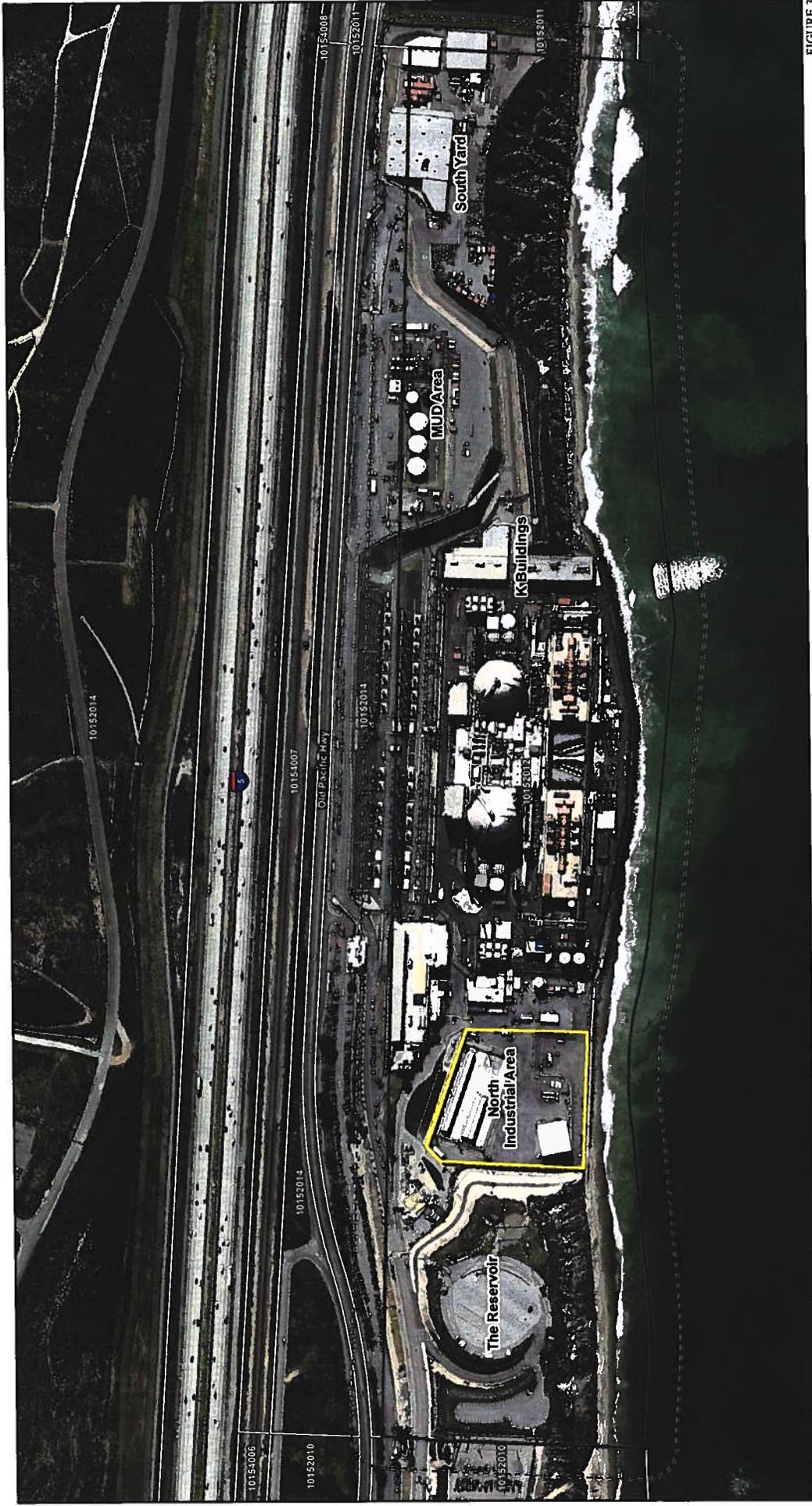


FIGURE 3

LSA

- LEGEND**
- North Industrial Area
  - Assessor Parcel
  - 100ft Buffer of Parcel
  - Adjacent Parcels



SOURCE: Google Earth (c. 2014); SANDAG (2014).  
 1: H:\T401\GIS\Projects\msd\2-10-2015

SONGS ISFSI Expansion Project  
 Location Alternatives and Assessor's Parcel Numbers

RSAR-07641



**Existing View**



**Proposed Project View**

# EXHIBIT 3

1 EDWARD J. CASEY (SBN 119571)  
2 ANDREA S. WARREN (SBN 287781)  
3 **ALSTON & BIRD LLP**  
333 South Hope Street  
Sixteenth Floor  
Los Angeles, CA 90071-1410  
Telephone: (213) 576-1000  
Facsimile: (213) 576-1100  
Email: ed.casey@alston.com; andrea.warren@alston.com

**F I L E D**  
Clerk of the Superior Court

AUG 28 2017

By: R. CERSOSIMO, Deputy

7 LINDA ANABTAWI (SBN 222723)  
8 IAN M. FORREST (SBN 240403)  
9 **SOUTHERN CALIFORNIA EDISON COMPANY**  
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Email: Linda.Anabtawi@sce.com; Ian.Forrest@sce.com

12 Attorneys for Real Party in Interest  
13 **SOUTHERN CALIFORNIA EDISON COMPANY**

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
15 **FOR THE COUNTY OF SAN DIEGO**

17 CITIZENS OVERSIGHT, INC., a California non-  
18 profit corporation; PATRICIA BORCHMANN, an  
individual

19 Petitioners and Plaintiffs

20 v.

21 CALIFORNIA COASTAL COMMISSION;  
22 SOUTHERN CALIFORNIA EDISON  
COMPANY, Real Party in Interest; and DOES 1  
TO 100;

23 Respondents and Defendants.

Case No.: 37-2015-00037137-CU-WM-CTL

[Assigned to the Honorable Judith F. Hayes –  
Department 68]

**STIPULATION FOR DISMISSAL OF  
ACTION AND REQUEST FOR COURT TO  
RETAIN JURISDICTION TO ENFORCE  
SETTLEMENT AGREEMENT**

Hearing Date: September 8, 2017  
Time: 2:00 p.m.  
Department: C68

Action Filed: November 3, 2015

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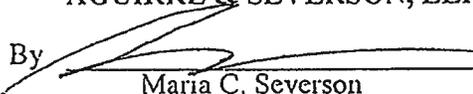
STIPULATION FOR DISMISSAL OF ACTION AND REQUEST FOR COURT TO RETAIN  
JURISDICTION TO ENFORCE SETTLEMENT AGREEMENT



1 B. Pursuant to Code of Civil Procedure Section 664.6 ("Section 664.6"), the Court retains  
2 jurisdiction to enforce the Agreement until it expires or is terminated in accordance with the provisions  
3 set forth therein, subject to the following limitations: (1) any motion filed under CCP Section 664.6  
4 by the Petitioners or Respondent shall be limited to requests for specific performance or injunctive  
5 relief to compel the Real Party to perform the commitments enumerated in Section II.B of the  
6 Agreement within the timeframes set forth in said section, and (2) the Court's jurisdiction will not  
7 extend to: (i) awarding monetary relief or an award of attorneys' fees or costs, unless a Party acts in  
8 bad faith, (ii) vacating the dismissal of the Action, (iii) rescinding or terminating this Agreement, or  
9 (iv) imposing statutory or other costs, fees, or penalties.

10  
11 Dated: August 21, 2017

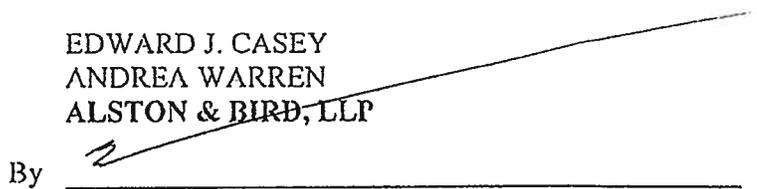
MICHAEL J. AGUIRRE  
MARIA C. SEVERSON  
AGUIRRE & SEVERSON, LLP

12  
13 By 

14 Maria C. Severson  
15 Attorneys for Petitioners  
16 CITIZENS OVERSIGHT, INC., AND  
17 PATRICIA BORCHMANN

18  
19 Dated: August 25, 2017

EDWARD J. CASEY  
ANDREA WARREN  
ALSTON & BIRD, LLP

20 By 

21 Edward J. Casey  
22 Attorneys for Real Party in Interest  
23 SOUTHERN CALIFORNIA EDISON COMPANY  
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**ORDER**

Having considered the foregoing Stipulation and good cause appearing, IT IS HEREBY ORDERED THAT:

1. The Court dismisses the Petition and the entire Action with prejudice, with each party to bear its own costs of suit, which dismissal is conditioned on the Court retaining jurisdiction as set forth in paragraph 2, below.

2. Pursuant to Code of Civil Procedure Section 664.6 ("Section 664.6"), the Court retains jurisdiction to enforce the Agreement until it expires or is terminated in accordance with the provisions set forth therein, subject to the following limitations: (1) any motion filed under Section 664.6 by Petitioners or Respondent shall be limited to requests for specific performance or injunctive relief to compel the Real Party to perform the commitments enumerated in Section II.B of the Agreement within the timeframes set forth in said section, and (2) the Trial Court's jurisdiction will not extend to: (i) awarding monetary relief or an award of attorneys' fees or costs, unless a Party acts in bad faith, (ii) vacating the dismissal of the Action, (iii) rescinding or terminating this Agreement, or (iv) imposing statutory or other costs, fees, or penalties.

DATED: AUG 28 2017

Judith F. Hayes  
Honorable Judith F. Hayes  
Judge of the Superior Court

**EXHIBIT A**

SETTLEMENT AGREEMENT REGARDING COASTAL DEVELOPMENT PERMIT  
FOR STORAGE OF SAN ONOFRE SPENT NUCLEAR FUEL

This Settlement Agreement Regarding Coastal Development Permit for Storage of San Onofre Spent Nuclear Fuel (“Agreement”) is made by and between Citizens Oversight, Inc. and Patricia Borchmann (collectively, “Plaintiffs”), on the one side, and Southern California Edison (“SCE”), on the other side. (Plaintiffs and SCE are collectively referred to as the “Parties” and individually referred to as a “Party.”)

I.

RECITALS

A. The San Onofre Nuclear Generating Station (“SONGS”) is located on a site in northern San Diego County within the U.S. Marine Corps Base, Camp Pendleton. SCE, the City of Riverside, and San Diego Gas & Electric (collectively, the “Owners”) own SONGS. The City of Anaheim is a former co-owner of SONGS but, for purposes of this Agreement only, is referred to as an Owner.

B. SONGS previously consisted of three nuclear power reactors referred to as Units 1, 2, and 3. The most significant decommissioning activities concerning Unit 1 have been completed. Units 2 and 3 were permanently retired (and ceased generating spent nuclear fuel) as of 2013. SCE is applying for the necessary government approvals to decommission Units 2 and 3.

C. In 2000, the California Coastal Commission (“Commission”) issued a coastal development permit (“CDP”) that authorized demolition of the SONGS Unit 1 structures and the construction of a dry storage facility known as an Independent Spent Fuel Storage Installation (“ISFSI”) to store Unit 1 spent nuclear fuel (the “Original ISFSI”). In 2001, the Commission approved an expansion of the Original ISFSI to store Units 2 and 3 spent nuclear fuel.

D. Most of the spent nuclear fuel generated at SONGS is currently stored in the Original ISFSI, which stores 1,187 spent fuel assemblies, and in “wet” storage pools in Units 2 and 3. On October 6, 2015, the Commission approved a CDP (the “2015 CDP”) that authorized

the construction of an additional on-site ISFSI with 75 fuel storage modules to store the 2,668 spent fuel assemblies currently in wet storage (the "Project ISFSI"). The SONGS spent fuel stored in the Original ISFSI and in "wet" storage pools in Units 2 and 3 totals 3,855 spent fuel assemblies, referred to herein as "SONGS Spent Fuel." Approximately 270 assemblies of SONGS 1 spent nuclear fuel are stored offsite in "wet" storage at GE Hitachi's facility in Morris, Illinois ("Morris Fuel").

E. The Project ISFSI is known as "HI-STORM UMAX," manufactured by Holtec International ("Holtec"). The U.S. Nuclear Regulatory Commission ("NRC") has approved and licensed the HI-STORM UMAX for use at SONGS.

F. On November 3, 2015, Plaintiffs filed the Verified Petition for Writ of Administrative Mandate (C.C.P. § 1094.5) and Complaint for Declaratory Relief ("Petition") in the action entitled *Citizens Oversight, Inc. v. California Coastal Commission* ("Action"), which is pending in the Superior Court for the County of San Diego ("Trial Court"). The Commission, as the Respondent in the Action, and SCE, the Real Party in Interest in the Action, filed Answers in which they generally deny the claims alleged in the Action.

G. The Parties' disputed legal and factual positions concerning the 2015 CDP are set out in their respective pleadings and the Commission's administrative record filed in the Action.

H. SCE believes that the long term, permanent storage and disposal of SONGS Spent Fuel and Morris Fuel is, under applicable law, the responsibility of the U.S. Department of Energy ("DOE") and that DOE has not yet discharged its responsibility. Plaintiffs desire to expedite the transfer of the SONGS Spent Fuel to a more inland location because they believe that is an overall benefit to the local community. Given that circumstance, the Parties acknowledge that they have a shared interest in relocating SONGS Spent Fuel on an interim basis to an offsite facility that would be licensed by the NRC and permitted, constructed, and operated by either the federal government or a third party (an "Offsite Storage Facility"). Until it is transferred to the federal government or third party, SCE will continue to maintain ownership of its SONGS Spent Fuel.

I. Given that shared interest, the Parties have engaged in settlement negotiations and now desire to set forth the terms by which they have agreed to resolve their dispute concerning the 2015 CDP and the claims and defenses in the Action.

## II.

### TERMS OF THE AGREEMENT

For the good and valuable consideration, the Parties agree as follows:

#### A. Proposed Relocation of SONGS Spent Fuel

1. Pending the development by DOE of a permanent nuclear spent fuel repository facility ("Permanent DOE Facility") that can store the SONGS Spent Fuel, SCE shall use Commercially Reasonable (as defined below) efforts to relocate the SONGS Spent Fuel to an Offsite Storage Facility, including, but not limited to: (1) a consolidated interim storage ("CIS") facility to be developed and operated by a third party, such as Holtec and Eddy Lea Energy's proposed CIS in New Mexico and Waste Control Specialists' proposed CIS in Texas; or (2) an expanded ISFSI at the Palo Verde Nuclear Generating Station ("Palo Verde") located near Tonopah, Arizona. The Commercially Reasonable efforts provided for in this paragraph are those set forth below in Section II.B of this Agreement.

2. For purposes of this Agreement, the term "Commercially Reasonable" (or "Commercial Reasonableness") shall mean such actions a prudent utility would undertake or decisions it would make under similar circumstances based on the information reasonably available to it at the time. For avoidance of doubt, Commercially Reasonable actions or decisions under this Agreement are those that a similarly situated utility determines in its reasonable discretion (a) are practicable and reasonably financially prudent taking into account all relevant considerations such as safety, scientific and technical factors, the regulatory environment, financial costs, resource availability, and the likelihood of success of any such actions or decisions, (b) would not unreasonably impair or delay SONGS decommissioning activities, financially or otherwise, and (c) would allow the Owners to recover all of their costs from their respective nuclear

decommissioning trust funds or from the DOE.

B. SCE's Commitments

1. To implement the intent of Section II.A.1 of this Agreement, SCE shall retain a team of expert consultants including at least one expert from each of the following fields: nuclear engineering (or equivalent), spent fuel siting and licensing, spent fuel transportation, and radiation detection and monitoring ("Experts Team"). The Experts Team will advise SCE on issues related to the proposed relocation of SONGS Spent Fuel to an Offsite Storage Facility.

- a. Within sixty (60) calendar days after the Effective Date of this Agreement, SCE shall issue written requests for proposal to qualified consultants for the purpose of forming the Experts Team.
- b. Within ninety (90) calendar days after receiving the written proposals, SCE shall retain the consultants that will serve on the Experts Team. Within seven (7) calendar days of completing the retention of consultants who will serve on the Experts Team, SCE will inform Plaintiffs' attorneys in writing of the identity and expertise of the consultants.
- c. SCE will consult with Plaintiffs' attorneys regarding the selection of the Expert Team but SCE shall retain discretion to select and manage the Experts Team consistent with the terms and purpose of this Agreement.

2. To assess the feasibility of relocating SONGS Spent Fuel to an Offsite Storage Facility, SCE shall: (1) develop a conceptual plan for the transportation of the SONGS Spent Fuel to an Offsite Storage Facility assumed to be located in the southwestern region of the United States ("Transportation Plan"), and (2) develop a strategic plan for supporting the development of a Commercially Reasonable Offsite Storage Facility ("Strategic Plan") (together, the "Plans").

- a. Within thirty (30) calendar days of the Experts Team's formation, SCE will solicit the input of the Experts Team as to the appropriate scope for the Plans, including potential locations for an Offsite Storage Facility, and a schedule for completion of the Plans.

3. Within ninety (90) calendar days after the Effective Date of this Agreement, SCE

will formally make a written request to solicit an agreement from the owners of Palo Verde regarding the development of an expanded ISFSI that would store SONGS Spent Fuel at the Palo Verde site. If SCE's request for such consideration is accepted, SCE will engage in discussions with the owners of Palo Verde to evaluate the feasibility of licensing, constructing, and operating such an expanded facility on Commercially Reasonable terms. SCE shall not be obligated to enter into any binding agreement with the owners of Palo Verde concerning the storage of SONGS Spent Fuel that is not Commercially Reasonable. SCE will provide Plaintiffs' attorneys information regarding the progress of discussions with Palo Verde.

4. SCE will develop the Inspection and Maintenance Program for the Project ISFSI required as Special Condition 7 under the 2015 CDP by October 6, 2020 rather than the October 6, 2022 date provided for under Special Condition 7.

5. SCE will develop a written plan addressing contingencies for damaged or cracked canisters consistent with NRC regulations and requirements by October 6, 2020.

6. On or before the expiration of ninety (90) calendar days after the Effective Date of this Agreement and monthly thereafter, SCE shall provide Plaintiffs with a report regarding its progress in fulfilling the commitments under Sections II.B.2-5 of the Agreement. Beginning with the sixth monthly progress report and continuing quarterly thereafter until SCE's completion of its commitments under Sections II.B.2-5 of this Agreement, SCE shall provide the Plaintiffs with a report regarding its progress in fulfilling each of the commitments under Sections II.B.2-5 of the Agreement.

7. Starting on January 1, 2018 and continuing until all fuel in "wet" storage pools in Units 2 and 3 has been transferred to the Project ISFSI, SCE shall provide Plaintiffs with a monthly progress report on the storage of SONGS Spent Fuel at SONGS. This report will be based on non-confidential information regarding the number of spent fuel assemblies moved from the spent fuel pools to the Project ISFSI.

8. SCE shall spend up to, but no more than, \$4,000,000 (four million dollars) on

consultant fees and other costs for satisfying the commitments in Section II.B.

C. Implementation of Strategic Plan

1. SCE shall use Commercially Reasonable efforts to implement any recommendations or actions identified in the Strategic Plan subject to the following conditions:

- a. Such recommendations or actions must be consistent with the standard of Commercial Reasonableness;
- b. The California Public Utilities Commission ("CPUC") must approve an application requesting cost recovery of any costs associated with implementing the Strategic Plan and costs for the transportation and storage of SONGS Spent Fuel;
- c. Any relocation of SONGS Spent Fuel to an Offsite Storage Facility must result in the transfer of liability for and title to the SONGS Spent Fuel to a third party unless SCE obtains contract terms from the third party, such as, but not limited to, indemnities and insurance provisions, that offer Commercially Reasonable protection from liabilities and risks that may arise from SCE's retention of title to the SONGS Spent Fuel;
- d. Any recommendations or actions identified in the Strategic Plan are subject to approval by the Owners, which approval shall be consistent with the standard of Commercial Reasonableness; and
- e. The Owners must be able to obtain recovery of costs associated with the transportation and storage of SONGS Spent Fuel from their respective nuclear decommissioning trust funds or from the DOE.

2. If a Commercially Reasonable Offsite Storage Facility is identified, SCE shall in good faith submit a complete application to the CPUC for approval of the costs associated with the transportation and storage of SONGS Spent Fuel.

D. Duration and Termination

1. This Agreement shall commence on the Effective Date and shall continue in full force and effect until the earlier to occur of the following:

- a. SCE has fulfilled its commitments under Section II.B of the Agreement and, in consultation with the Experts Team, has determined either that: (i) an Offsite Storage Facility that is Commercially Reasonable is not available; or (ii) implementation of recommendations or actions identified in the Strategic Plan is not Commercially Reasonable;
- b. Applicable laws or regulations prohibit the relocation of SONGS Spent Fuel to an Offsite Storage Facility;
- c. An Offsite Storage Facility, which is capable of storing SONGS Spent Fuel, is licensed by the NRC and the operators of such facility have contractually agreed to accept SONGS Spent Fuel on Commercially Reasonable terms;
- d. The NRC has approved a license for the construction of a Permanent DOE Facility that can store SONGS Spent Fuel prior to the relocation of SONGS Spent Fuel to an Offsite Storage Facility; or
- e. The initial term of the 2015 CDP has expired, regardless of whether or not the SONGS Spent Fuel has been moved to an Offsite Storage Facility.

2. SCE shall provide notice of the proposed termination under Section II.D.1 and the basis therefor to Plaintiffs thirty (30) calendar days prior to termination, which may be extended by mutual agreement of the Parties.

3. The provisions of Sections II.F, II.G, and II.J.1 shall survive the expiration or termination of this Agreement.

E. Dismissal

1. Concurrently with the filing of the ex parte application described in Section II.E.2, below, Plaintiffs shall sign and cause to be filed and served a request for dismissal of the entire Action with prejudice subject to the Trial Court retaining jurisdiction to enforce the terms of this Agreement pursuant to Section 664.6 of the California Code of Civil Procedure (“CCP”) as specified below.

2. Upon full execution of this Agreement, the Parties shall execute a Stipulation and Order in the form attached hereto as Exhibit A to this Agreement (“Stipulation”). Within five (5) calendar days of the full execution of this Agreement, the Parties shall file and serve an ex parte application with the Trial Court seeking an order approving the Stipulation. The Stipulation and said ex parte application shall request the Trial Court to enter an order dismissing the entire Action with prejudice subject only to the Trial Court retaining jurisdiction to enforce the Agreement pursuant to CCP Section 664.6 as follows: (1) any CCP Section 664.6 Enforcement Motions (as defined in Section II.H.2) by Plaintiffs shall be limited to requests for specific performance or injunctive relief to compel SCE to perform the commitments enumerated in Section II.B within the timeframes set forth in said sections, and (2) the Trial Court’s jurisdiction will not extend to: (i) awarding monetary relief or an award of attorneys’ fees or costs, unless a Party acts in bad faith, (ii) vacating the dismissal of the Action, (iii) rescinding or terminating this Agreement, or (iv) imposing statutory or other costs, fees, or penalties (the “Dismissal Order”).

F. Release of Claims

1. Upon the Effective Date of this Agreement, Plaintiffs, on behalf of themselves and each of their predecessors, successors, and assigns (the “Plaintiffs Releasing Parties”), hereby fully and forever release and discharge each of the Owners and each of their respective past, present, and future parent, subsidiary and affiliate companies, joint ventures, partnerships, directors, officers, shareholders, partners, elected and appointed officials, predecessors, successors, affiliates, agents, representatives, employees and assigns (the “Owner Released Entities”) from all claims, debts, demands, claims for relief, causes of action, writ proceedings, loss, and liability of every type and nature whatsoever arising under any federal, state, or local law or regulation, whether direct, indirect, fixed, contingent or consequential, known or unknown, suspected or unsuspected, relating to the Action and the claims and defenses in the Action, the Original ISFSI, the 2015 CDP, or the Project ISFSI (collectively, “Plaintiffs’ Released Claims”).

2. Each of Plaintiffs Releasing Parties hereby warrants and represents that he, she, or

it is familiar with the provisions of California Civil Code Section 1542 and, as to the matters released in Section II.F.1, expressly waives and relinquishes any rights or benefits related to the subject matter of each of the Plaintiffs' Released Claims, that he, she or it has or may have pursuant to Civil Code Section 1542. Section 1542 reads as follows:

SECTION 1542: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

3. Upon the Effective Date of this Agreement, SCE, on behalf of itself and each of its predecessors, successors, and assigns (the "SCE Releasing Parties"), hereby fully and forever releases and discharges each of the Plaintiffs and each of their respective past, present, and future parent, subsidiary and affiliate companies, joint ventures, partnerships, directors, officers, shareholders, partners, elected and appointed officials, predecessors, successors, affiliates, agents, representatives, employees and assigns (the "Plaintiffs Released Entities") from all claims, debts, demands, claims for relief, causes of action, writ proceedings, loss, and liability of every type and nature whatsoever arising under any federal, state, or local law or regulation, whether direct, indirect, fixed, contingent or consequential, known or unknown, suspected or unsuspected, relating to the Action and the claims and defenses in the Action, (collectively, "SCE's Released Claims").

4. Each of the SCE Releasing Parties hereby warrants and represents that he, she or it is familiar with the provisions of California Civil Code Section 1542 and, as to the matters released in Section II.F.3, expressly waives and relinquishes any rights or benefits related to the subject matter of each of the SCE Released Claims, that he, she, or it has or may have pursuant to Civil Code Section 1542. Section 1542 reads as follows:

SECTION 1542: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

5. Nothing in this Agreement shall be construed as a waiver of, or in any way limit,

contradict or prohibit any Party from enforcing this Agreement pursuant to Section II.H.

G. Covenant Not to Sue

1. Commencing on the Effective Date of this Agreement, Plaintiffs, for themselves and on behalf of the Plaintiffs Releasing Parties, and subject to the provisions of Section II.H, covenant that he, she, or it will not file any claim, lawsuit, or action under any federal, state, or local law (i) in any new judicial, regulatory, or administrative proceeding, or (ii) in any pending judicial, regulatory, or administrative proceeding, which relates to or involves the storage or transportation of SONGS Spent Fuel (the "Covenant Not To Sue"). The Covenant Not To Sue shall further prohibit each of the Plaintiffs from directly encouraging, assisting, supporting (including, without limitation, by providing any financial support or donations) or otherwise facilitating any person or entity to file any lawsuit or any other judicial proceeding, or bring any administrative challenge under federal, state, or local law that relates to or involves the storage or transportation of SONGS Spent Fuel.

H. Dispute Resolution/Enforcement of Agreement

1. The Parties agree that the Commission is a third-party beneficiary of this Agreement and may enforce certain provisions of the Agreement as provided for in Section II.E.2. The Parties intend that no other entity or person shall be deemed a third-party beneficiary of this Agreement.

2. The sole and exclusive method for resolving disputes under and enforcing this Agreement shall be a motion for enforcement to the Trial Court pursuant to CCP Section 664.6 as specified in the Dismissal Order (a "CCP Section 664.6 Enforcement Motion") preceded by good faith negotiation and mediation as set forth below. The Parties expressly waive any right to other remedies, including but not limited to, rescission and monetary fees, costs, and damages. The Commission, in enforcing this Agreement as a third-party beneficiary, is not required to engage in the good faith negotiation and mediation processes set forth in Sections II.H.3 and II.H.4 and may file a CCP Section 664.6 Enforcement Motion as provided in Section II.H.5 without engaging in

either of these processes.

3. Prior to filing a CCP Section 664.6 Enforcement Motion, a Party believing another Party has breached this Agreement shall provide written notice of the dispute to all other Parties ("Notice"). Within thirty (30) calendar days from service of the Notice, the Parties shall meet and confer in good faith to resolve the dispute.

4. If the dispute is not resolved as a result of the meet and confer process, before filing a CCP Section 664.6 Enforcement Motion, the Parties shall engage in a nonbinding mediation. Either Party may initiate mediation by providing Notice to the other Party setting forth a description of the dispute and the relief requested. The Parties will cooperate with one another in selecting the mediator ("Mediator") from the panel of neutrals from Judicial Arbitration and Mediation Services ("JAMS"), its successor or any other mutually acceptable non-JAMS mediator, and in scheduling the time and place of mediation. Such selection and scheduling will be completed within thirty (30) calendar days after Notice of the request for mediation. If the Parties are unable to agree on a mediator, then they shall request that JAMS appoint a qualified mediator within fifteen (15) calendar days. Unless otherwise agreed to by the Parties, the mediation will not be scheduled for a date that is longer than ninety (90) calendar days after Notice of the request for mediation. The Parties agree to participate in the mediation in good faith, and that they will share equally in its costs (other than the Party's individual attorneys' fees and costs related to that Party's participation in the mediation, which fees and costs will be borne by each Party). All offers, promises, conduct and statements, whether oral or written, made in connection with the or during the mediation by either of the Parties, their agents, representatives, employees, experts and attorneys, and by the Mediator or any of the Mediator's agents, representatives and employees, will not be subject to discovery and will be confidential, privileged and inadmissible for any purpose, including impeachment, in any other proceeding between or involving the Parties, or either of them, provided that evidence that is otherwise admissible or discoverable will not be rendered inadmissible or nondiscoverable as a result of its use in the mediation.

5. Either Party may seek enforcement of this Agreement with respect to disputes first submitted to the informal good faith negotiation and mediation processes set forth above by filing a CCP Section 664.6 Enforcement Motion within sixty (60) calendar days following the unsuccessful conclusion of the mediation provided in Section II.H.4. If a Section 664.6 Enforcement Motion is not filed within sixty (60) calendar days following the unsuccessful conclusion of the mediation provided for in Section II.H.4, the dispute resolution process shall be deemed complete and further claims related to the dispute shall be barred without regard to any other limitation period set forth by law.

I. Effective Date of Agreement

1. This Agreement shall only become effective and binding on the Parties on the date that the Trial Court enters the Dismissal Order pursuant to Section II.E.2 in the form requested by the Parties, without modifications unacceptable to any Party (the "Effective Date").

2. In the event the Trial Court denies the Parties' ex parte application for approval of the Stipulation and Order attached hereto as Exhibit A, or fails to enter the Dismissal Order on said application within ten (10) court days after the hearing on said application, the Agreement shall be of no further force or effect absent a written agreement among all Parties to extend the deadline for the Trial Court to enter its order.

J. Additional Provisions.

1. Affirmative Duty to Support the Settlement and its Costs. Following execution of this Agreement, the Parties shall affirmatively support and defend the Agreement and all costs incurred in its implementation in all regulatory, administrative, and judicial proceedings including, but not limited to, offering testimony in support of a CPUC application to approve costs associated with the transportation and storage of SONGS Spent Fuel. Support of the Agreement does not require Plaintiffs to contribute financially to the settlement.

2. Joint Communication. The Parties shall develop a mutually agreeable summary of the Agreement and a joint communication regarding the settlement that will be used for all external

communications including, but not limited to, the media.

3. Execution of Additional Documents. Each of the Parties agrees to promptly do such acts and execute such additional documents as might be reasonably necessary to carry out the provisions and effectuate the purposes of this Agreement.

4. Authority. Each person executing this Agreement represents that he or she has the full legal right, power, and authority to execute and deliver this Agreement and to bind the Party for whom such individual is signing.

5. Exclusive Remedy. By executing this Agreement, each of the Parties acknowledges and agrees that the rights and remedies provided in this Agreement shall be the sole and exclusive rights and remedies surviving as between and among the Parties hereto relating to the subject matter of this Agreement and the Action.

6. No Reliance on Others. No representations, oral or otherwise, expressed or implied, other than those contained herein, have been made by any Party, or any officer, director, shareholder, partner, associate, agent, affiliate, insurer, attorney or employee thereof. By executing this Agreement, each of the Parties warrants and represents that this Agreement is made and entered into without reliance upon any statements or representations of any other Party, or in reliance upon any statements or representations made by any officers, directors, shareholders, partners, associates, agents, affiliates, insurer, attorneys, or employees of any other Party.

7. Independent Investigation. Each of the Parties warrants and represents that he, she or, it has made their own independent investigation, in the manner deemed necessary and appropriate by them, of the facts and circumstances surrounding this Agreement and the settlement contained herein, and that through such independent investigation, each Party has satisfied itself that the execution of this Agreement and entry into the settlement contained herein is in his, her, or its best interest. Also, each of the Parties warrants and represents that his, her, or its independent investigation has included, but not been limited to, receipt of independent advice by legal counsel on the advisability of entering into this Agreement and the settlement contained therein.

8. Compromise of Disputed Claims. Each of the Parties acknowledges and agrees that this Agreement is the compromise of disputed claims, and that nothing contained in this Agreement shall be construed as admissions of liability on the part of any Party. Neither this Agreement nor any of its terms shall be offered or received as evidence in any proceeding in any forum as an admission of any liability or wrongdoing on the part of any of the Parties.

9. Litigation Expenses. SCE shall be responsible for its own costs of suit and attorneys' fees incurred and/or accrued in connection with the Action and the negotiation of this Agreement. As part of this settlement, and in lieu of the cost and time of additional CCP § 1021.5 motion work, SCE agrees to pay Plaintiffs' costs and attorneys' fees incurred and/or accrued in connection with the Action and the negotiation of this Agreement in the amount of \$800,000 payable to the Aguirre & Severson, LLP Attorney Client Trust Account. Plaintiffs' attorneys shall provide a certification to support their claimed amount of costs and fees. SCE shall provide payment within seven (7) calendar days of receiving such certification from Plaintiffs' attorneys.

10. Construction of Agreement. Each of the Parties has cooperated in the drafting and preparation of this Agreement and, therefore, any construction of the intent of the Parties or language hereof to be made by a court or mediator shall not be construed against any of the Parties on the basis that it drafted the Agreement or any of its terms.

11. Comprehension of Terms. Each of the Parties warrants and represents that he, she, or it has read this Agreement in full, fully understands each and every provision hereof, and agrees to be bound by all of the terms and provisions set forth herein.

12. Inurement to Others; Assignment. Each of the Parties agrees that the terms and conditions contained in this Agreement shall inure to the benefit of their respective successors and assigns, except that neither Party may assign any or all of this Agreement without first obtaining the other Party's written consent, which consent shall not be unreasonably withheld.

13. Governing Law. This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the Parties hereunder

shall be governed by, construed, and enforced in accordance with the laws of the State of California.

14. Merger and Integration. This Agreement contains the full and entire agreement between and among the Parties with respect to the entire subject matter hereof and supersedes any and all prior or contemporaneous agreements and discussions, whether written or oral. Any and all prior or contemporaneous discussions, negotiations, writings, commitments and/or undertakings related hereto are merged herein.

15. Amendment. This Agreement may be amended only by written agreement signed by all Parties.

16. Headings. The titles and headings of the various sections of this Agreement are intended solely for convenience of reference and shall not be construed as explanation, modification, or intended construction of any terms or provisions of this Agreement.

17. Counterparts. This Agreement may be executed and delivered by facsimile or emailed .PDF and in any number of counterparts, each of which shall be deemed an original; however, all such counterparts shall constitute but one and the same instrument signed as of the Effective Date.

18. Opportunity to Cure Breach. In the event that Plaintiffs allege or otherwise assert that SCE has breached any provision of this Agreement, whether in connection with an action required within a specified timeframe or the satisfaction of any commitment, SCE shall have the opportunity, for at least thirty (30) calendar days following Notice of such allegation or assertion, to cure such breach (if such breach is capable of being cured).

19. Notice. Any notice required or permitted to be given under the terms of this Agreement shall be in writing and delivered by overnight mail and by facsimile or electronic transmission, unless another means of delivery is expressly authorized or required in this Agreement for a particular notice. Notices shall be sent to the following persons:

<p>To: Plaintiffs</p> <p>Ray Lutz  Citizens Oversight  771 Jamacha Road, #148  El Cajon, CA 92019  Telephone: (619) 820-5321  E-Mail: raylutz@citizenoversight.org</p> <p>Patricia Borchmann  c/o Aguirre &amp; Severson, LLP  501 W. Broadway, Ste. 1050  San Diego, CA 92101</p>	<p>With a copy to:</p> <p>Michael J. Aguirre, Esq.  Maria C. Severson, Esq.  Aguirre &amp; Severson, LLP  501 W. Broadway, Ste. 1050  San Diego, CA 92101  Telephone: (619) 876-5364  Facsimile: (619) 876-5368  Email: maguirre@amslawyers.com  mseverson@amslawyers.com</p>
<p>To: SCE</p> <p>Linda Anabtawi, Esq.  SCE Law Department  2244 Walnut Grove Avenue  Rosemead, CA 91770  Telephone: (626) 302-6832  E-mail: linda.anabtawi@sce.com</p>	<p>With a copy to:</p> <p>Edward J. Casey, Esq.  Alston &amp; Bird LLP  333 South Hope Street, 16<sup>th</sup> Floor  Los Angeles, CA 90071  Telephone: (213) 576-1000  Facsimile: (213) 576-1100  E-mail: ed.casey@alston.com</p>

*[Continued on the next page]*

Notice shall be deemed given as of the date of transmission of the notice. Any Party may change its addressee(s) for notice by providing written notice of such change in accordance with the requirements of this section.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

CITIZENS OVERSIGHT, INC and  
PATRICIA BORCHMANN

August \_\_\_\_\_, 2017

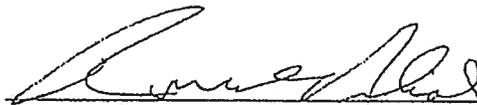
By: Patricia Borchmann

August \_\_\_\_\_, 2017

By: Raymond Lutz  
For CITIZENS OVERSIGHT, INC.

SOUTHERN CALIFORNIA EDISON COMPANY

August 24, 2017

  
By: Ronald O. Nichols  
President, Southern California Edison Company

Notice shall be deemed given as of the date of transmission of the notice. Any Party may change its addressee(s) for notice by providing written notice of such change in accordance with the requirements of this section.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

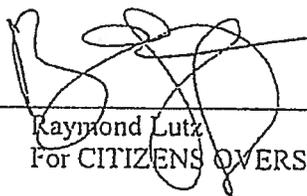
CITIZENS OVERSIGHT, INC and  
PATRICIA BORCHMANN

August 25, 2017



By: Patricia Borchmann

August 24, 2017



By: Raymond Lutz  
For CITIZENS OVERSIGHT, INC.

SOUTHERN CALIFORNIA EDISON COMPANY

August \_\_\_\_\_, 2017

By: Ronald O. Nichols  
President, Southern California Edison Company

1 **PROOF OF SERVICE**

2 I, Yolanda S. Ramos, declare:

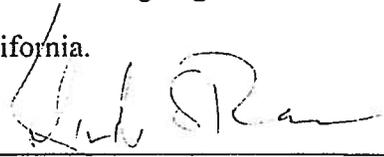
3 I am employed in the County of Los Angeles, State of California. I am over the age of 18 and  
4 not a party to the within action. My business address is Alston & Bird LLP, 333 South Hope Street,  
5 Sixteenth Floor, Los Angeles, California 90071. I am over the age of eighteen years and not a party  
6 to the action in which this service is made.

7 On August 28, 2017, I served the document(s) described as **STIPULATION FOR  
8 DISMISSAL OF ACTION AND REQUEST FOR COURT TO RETAIN JURISDICTION TO  
9 ENFORCE SETTLEMENT AGREEMENT** on the interested parties in this action by enclosing the  
10 document(s) in a sealed envelope addressed as follows:

11 **SEE ATTACHED SERVICE LIST**

- 12  BY MAIL: I am "readily familiar" with this firm's practice for the collection and the  
13 processing of correspondence for mailing with the United States Postal Service. In the  
14 ordinary course of business, the correspondence would be deposited with the United  
15 States Postal Service at Alston & Bird LLP, 333 South Hope Street, 16<sup>th</sup> Floor, Los  
16 Angeles, CA 90071 with postage thereon fully prepaid the same day on which the  
17 correspondence was placed for collection and mailing at the firm. Following ordinary  
18 business practices, I placed for collection and mailing with the United States Postal  
19 Service such envelope at Alston & Bird LLP, 333 South Hope Street, 16<sup>th</sup> Floor, Los  
20 Angeles, CA 90071.
- 21  UPS NEXT DAY AIR I deposited such envelope in a facility regularly maintained by  
22 UPS with delivery fees fully provided for or delivered the envelope to a courier or driver  
23 of UPS authorized to receive documents at Alston & Bird LLP, 333 South Hope Street,  
24 16<sup>th</sup> Floor, Los Angeles, CA 90071.
- 25  BY FACSIMILE: I telecopied a copy of said document(s) to the following addressee(s)  
26 at the following number(s) in accordance with the written confirmation of counsel in this  
27 action.
- 28  BY ELECTRONIC MAIL TRANSMISSION WITH ATTACHMENT: On this date, I  
transmitted the above-mentioned document by electronic mail transmission with  
attachment to the parties at the electronic mail transmission address set forth on the  
attached service list.
- [State] I declare under penalty of perjury under the laws of the State of California that the  
above is true and correct.
- [Federal] I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 28, 2017, at Los Angeles, California.

  
\_\_\_\_\_  
Yolanda S. Ramos

3 **SERVICE LIST**

4 Michael J. Aguirre, Esq.  
5 Maria C. Severson, Esq.  
6 Aguirre & Severson, LLP  
7 501 West Broadway, Suite 1050  
8 San Diego, CA 92101

Attorneys for Petitioners  
**CITIZENS OVERSIGHT, INC.**  
**PATRICIA BORCHMANN**  
  
Telephone: (619) 876-5364  
Facsimile: (619) 876-5368  
Email: maguirre@amslawyers.com  
Email: mseverson@amslawyers.com

9  
10 Xavier Becerra, Attorney General  
11 Jamee Jordan Patterson,  
12 Supervising Deputy Attorney General  
13 Hayley Peterson, Deputy Attorney General  
14 600 West Broadway, Suite 1800  
San Diego, CA 92101  
P.O. Box 85266  
San Diego, CA 92186-5266

Attorneys for Respondent  
**CALIFORNIA COASTAL**  
**COMMISSION**  
  
Telephone: (619) 645-2023  
Facsimile: (619) 645-2271  
Email: Jamee.Patterson@doj.ca.gov  
Hayley.Peterson@doj.ca.gov

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# EXHIBIT 4

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## WEBINAR TRANSCRIPT

This document provides the transcript from a public meeting (webinar) that was held on November 8, 2018, to discuss preliminary observations of an NRC special inspection that was conducted at San Onofre Nuclear Generating Station in September 2018. The inspection was conducted in response to a situation that resulted in the misalignment of a multi-purpose canister loaded with spent fuel at the San Onofre Nuclear Generating Station.

### Hosts of Webinar:

Troy Pruett, Director  
Division of Nuclear Materials Safety  
Region IV

Patricia Silva, Chief  
Inspection and Operations Branch  
Division of Spent Fuel Management  
Office of Nuclear Material Safety and Safeguards

Eric Simpson, Health Physicist  
Fuel Cycle and Decommissioning Branch  
Division of Nuclear Materials Safety  
Region IV

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- This is Troy Pruett, with the NRC in Region IV, and we're going to commence today's webinar on the results of the San Onofre special inspection. Thank you for joining the webinar. NRC speakers will present information related to the August 3rd, 2018 misalignment of a multi-purpose canister loaded with spent fuel at the San Onofre Nuclear Generating Station. This is the NRC Region IV's first use of the webinar format to provide information to the public on a special inspection. There's are pros and cons for conducting a webinar public meeting in place of a face to face meeting. Ultimately, we decided that the large number of people from across the United States that were interested in learning more about this event made the webinar the best option. During the webinar, we will present information explaining photographs and bullets shown on the slides. The photos we are referencing today are from downloading operations that occurred prior to the August 3rd event. The slides are also available from the webinar handout tab, as well as the NRC Spotlight Section on the NRC public webpage at [www.nrc.gov](http://www.nrc.gov). From the Spotlight Section, click on SONGS Cask Loading Issue, and from there, you'll see a variety of documents available for your review, today's slides being one of the options. During the presentation, you may submit written comments

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and questions via the webinar chatroom feature.

NRC staff will collect items, and refer them to today's panel, the NRC panel will answer questions and respond to comments as time allows.

The webinar is scheduled to end at 5:00 p.m. Central Time, or 3:00 p.m., Pacific.

If, for some reason, the NRC loses internet connectivity, we will dial into a telephone bridge line, and continue the presentation.

The backup bridge line may be reached by dialing 888-

469-

1677,

and the passcode is 247-

1451.

And again, we will only use this bridge line if the internet connection

for the NRC fails during the webinar.

We are recording the session today, and plan to make the video publicly available.

Today's NRC panel has three members, myself, Troy Pruett, and I'm the Director of Nuclear Materials Safety in Region IV.

The Region IV office is located in Arlington, Texas, and my division oversees the inspection activities at San Onofre.

Also on the panel is Eric Simpson.

Eric is the Special Inspection Team Leader for the event we are presenting today.

Eric is also an inspector in NRC Region IV.

We also have Patty Silva, Patty is a Branch Chief

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from the Division of Spent Fuel Management,  
in our headquarters office in Rockville, Maryland.  
Patty was also a member of the Special Inspection Team.  
Patty joined the panel to provide responses  
to some of the questions or comments you might have  
that are beyond the scope of Eric's special inspection.  
Supporting our presentation,  
we have technical staff monitoring the chatroom  
for questions and comments,  
and communications staff monitoring  
and adjusting the audio and video.  
Via, our webinar capability will only host up  
to 500 participants,  
and my staff has communicated  
to me that we have hit the 500 registered limit,  
and so, just as a reminder, if you encounter somebody  
that's not able to log in to the webinar today,  
remind them that the presentation will be publicly available  
after the meeting, once we get the recording transcribed,  
and posted to the public webpage.  
So Eric will provide most of the information  
regarding the misalignment event at San Onofre.  
Eric will begin with background information  
on the independent spent fuel storage installation  
at San Onofre, he will then provide an overview  
of a typical downloading operation.  
By downloading, I mean the operation  
that lowers the multipurpose canister into the storage vault  
at the independent spent fuel storage installation.  
Eric will then cover what happened on August 3rd, 2018,  
during the downloading operation.  
After he explains the event,

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Eric will outline the NRC's regulatory concerns,  
and our next steps.  
while the misalignment event at San Onofre is serious,  
at no time was there an actual load drop,  
and at no time was there a release  
of radioactive material from the multipurpose canister.  
Once Eric has completed his presentation,  
the NRC panel will begin responding  
to questions and comments, when multiple questions  
and comments on a similar topic are received,  
the NRC staff monitoring the chatroom will provide  
the panel a representative question or comment.  
I'll now turn the presentation over to Eric.  
- Good afternoon, I am Eric Simpson,  
a Dry Fuel Storage Inspector of the NRC Region IV office,  
here in Arlington, Texas.  
Before we discuss the August 3rd event at San Onofre,  
I would like to acknowledge the other members  
of the NRC Special Inspection Team  
that are not sitting on the panel with us today,  
those members being Marlon Davis, NRC Headquarters Inspector  
for the Division of Spent Fuel Management,  
Chris Smith, a Region IV Engineering Inspector,  
my Branch Chief, Dr. Janine Katanic, and Mr. Lee Brookhart,  
our Senior Dry Fuel Storage Inspector, who has been working  
behind the scenes throughout our efforts.  
Let's start with an overview of the  
San Onofre Independent Spent Fuel Storage Installation.  
You will hear me refer  
to Independent Spent Fuel Storage Installations as ISFSIs  
for short throughout this webinar.

What you see is an overhead schematic of the San Onofre ISFSI, north is to the left, which places the Transnuclear horizontal ISFSI on the eastern side, and the Holtec UMAX ISFSI on the west, or bottom of the map. The design is a horizontal storage module. San Onofre has 63 horizontal storage modules on this eastern ISFSI pad, 51 of which are loaded with spent fuel in Unit One reactor waste, the other three are empty, to the west of the horizontal ISFSI is the Holtec UMAX ISFSI, spent fuel is stored in stainless steel canisters called multipurpose canisters, or MPCs. Today we will refer to the MPCs simply as a canister. The canisters are stored vertically in the UMAX ISFSI vault. San Onofre has room for 75 canisters in its UMAX ISFSI. San Onofre had about 2,668 spent fuel assemblies stored in its unit two and three spent fuel pools. Currently, about 40% of the spent fuel has been transferred to the UMAX ISFSI. This photo shows what it's like looking down into a UMAX storage vault, what you see are the features of the divider shell, we will discuss this in more detail later, but for now, make a note of the shield ring. During the August 3rd event, a portion of the canister was resting on the shield ring. San Onofre personnel and Holtec contractors failed to note the misalignment, and that the weight of the canister was no longer being supported by the important-to-safety lifting equipment.

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This photo shows a Holtec canister.  
Spent fuel is placed into a canister  
while it is inside the transfer cask.  
The transfer cask is then placed  
to reduce radiation exposures to workers,  
and it is also used to help move the loaded canister out  
onto the ISFSI pad.

This photo shows a shield cone.  
After loading, the canister of spent fuel contents are dried  
and welded shut, the shield cone is installed  
on the canister as an additional help  
to reduce radiation dose to cask storage workers.  
The green slings are for retrieval  
of the shield cone after the canister has been lowered  
into the storage vault.

The yellow slings are important-to-safety, and are intended  
to hold the canister weight during downloading operations.

This photo shows the flat bed transporter  
with a transfer cask meeting up  
with the vertical cask transporter.

The transfer cask, with the canister inside,  
is moved from the fuel building  
to the ISFSI pad used in a flatbed transporter.

A vertical cask transporter is used  
to move the transfer cask into position  
on the ISFSI pad, the vertical cask transporter is also used  
to align the transfer cask and the canister  
for downloading operations.

This photo shows the mating device used  
to connect the transfer cask to the ISFSI vault.

The mating device has a hydraulic door

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to allow access from the transfer cask into the ISFSI vault.

As you can see, the mating device is open in this photo.

This photo shows the vertical cask transporter being aligned to the mating device,

the vertical cask transporter is positioned over the mating device, properly aligned, and then they're bolted together.

The mating device door is closed during this process.

This picture shows the spotters, those are the people in the lift baskets, pulling the slings through the sheaths on the vertical cask transporter crossbeam.

The important-to-safety yellow slings are connected to the canister through lift cleats in the shield cone, and anchored to the vertical cask transporter.

This photo shows the canister ready for downloading, the vertical cask transporter lift beam has been raised, and the full load

of the spent fuel canister is being suspended.

The mating device door is open, allowing the canister to be downloaded into the ISFSI vault.

So, what exactly happened on August 3rd?

This slide shows a schematic of the ISFSI pad, and the location of the low dose waiting area.

The slide also shows a photo of the view from that location, as you can see from the photo to the right, the low dose waiting area has an obstructed view of what is happening out on the pad.

Before downloading, all oversight staff, other than the spotter and the vertical cask transporter operator, are moved to the low dose area.

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From this position, none of the management or supervisory oversight staff from San Onofre or Holtec could observe the downloading of the canister. San Onofre oversight staff did not have radio headsets, and did not monitor communications between the cask loading supervisor, spotter, and vertical cask transporter operator.

This slide shows photos of the vertical cask transporter, and the control panel.

The vertical cask transporter operator attempted to lower the canister into the vault by lowering the vertical cask transporter lift beam.

The NRC identified numerous deficiencies involving the operation of the vertical cask transporter.

- 1 → First, the training program did not ensure the vertical cask transporter operator was capable of performing the canister download.
  - 2 → Second, the vertical cask transporter operator is seated behind shielding, and cannot see the canister being lowered
  - 3 → into the vault, third, cameras are not used to aid the vertical cask transporter operator, or oversight staff during downloading operations.
  - 4 → Fourth, the vertical cask transporter operator did not monitor data available on the vertical cask transporter control panel during the download.
- As a result, the vertical cask transporter operator did not identify a decrease in hydraulic pressure, which in and of itself is an indication of a loss of mode condition.

- 5 → Fifth, procedures did not provide adequate instructions

for the monitoring of critical parameters during the download. Lastly, the August 3rd event was the first time for the vertical cask transporter operator to download a spent fuel canister into the vault, and no supervisory oversight was available on the vertical cask transporter.

This slide shows a spotter in position to observe the download, the spotter was the only person capable of observing the canister being downloaded during this event.

NRC identified numerous deficiencies involving



- 6 → the spotter positioning, first, the training program did not ensure the spotter was capable of performing a canister download.
- 7 → Second, procedures did not provide adequate instruction for monitoring of critical parameters during download processes.
- 8 → Third, the August 3rd event was the first time for the spotter to download a spent fuel canister into the ISFSI vault, and no supervisory oversight was available in the lift basket.
- 9 → Fourth, no cameras were provided for management and supervisory oversight to observe the download.
- 10 → Fifth, once the downloading was in progress, the spotter moved the lift to the side, where he could no longer directly observe
- 11 → the canister's progress into the ISFSI vault, and lastly, the spotter did not know how to determine the important-to-safety slings for slack. Communications during the download were informal, and failed to relay critical information,

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for example, during the download, the spotter communicated that the canister was four feet down. Management and supervisor incorrectly believed this meant four feet below the mating device, it did not. The VCT operator fully lowered the vertical cask transporter crossbeam, and communicated that the canister was fully loaded, lowered into the vault. A radiation protection technician noticed the dose rates were significantly higher than expected, and alerted the cask loading supervisor. Station personnel observed that the slings were slack, and that the canister was not downloaded. At the direction of the rigger in charge, at the direction of the rigger in charge, the vertical cask transporter operator raised the lift beam to regain load of the canister. The canister was properly aligned, and then lowered into the ISFSI vault. The canister load was unsupported by lifting equipment for approximately 53 minutes. This slide shows a photo of the installed canister in the ISFSI vault. Before starting downloads of lowered canisters, San Onofre trains staff using test equipment. The training canister was smaller than the actual canisters used at San Onofre. The training canister provided about three quarter of an inch more clearance, this made the lining and lowering the training canister much easier than would be experienced during actual downloading operations.

Staff conducting downloading operations were not trained

on the differences,

when training does not match the actual conditions,

we refer to this as negative training.

During downloading operations,

San Onofre frequently experienced the bottoms  
of canisters getting caught on the shield ring.

San Onofre never identified the misalignments  
as conditions adverse to quality, consequently,

San Onofre never implemented actions  
that would have prevented the August 3rd event.

On August 3rd, the canister made contact,  
and rested on the shield ring, if you look closely

at the picture, you can see contact surface wear,  
paint scrape, but no deformation of the shield ring.

San Onofre has not inspected the bottom of the canister,  
their preliminary analysis indicates negligible wear  
on the canister.

The NRC will evaluate San Onofre's analyses,  
and San Onofre's plan to monitor the canisters,  
as part of their Aging Management Program, when completed.

The NRC does not believe there is  
an immediate canister integrity concern, so,  
what's been done since August 3rd?

We'll look at San Onofre's activities since August 3rd,  
then we'll look at NRC's actions.

We will discuss San Onofre's notification  
to the NRC Operation Center, we'll briefly touch  
on San Onofre's causal evaluations, and lastly,  
we'll touch on San Onofre's proposed corrective actions.

The canister involved

in the August 3rd event was successfully lowered

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into the UMAX ISFSI vault, we call this canister MPC 29 because it was the 29th canister loaded at San Onofre. After MPC 29 was lowered into the ISFSI vault, San Onofre immediately put a halt to all spent fuel activities on site. There was a spent fuel canister that was being processed in a Unit Two Fuel Building, that canister was fully processed, meaning it was dried, helium back-fill operations were completed, final welding of the closure rings were performed, and it is currently in the Unit Three Fuel Building. It is seismically restrained, it is placed in a transfer cask, and this is a condition that is acceptable for the canister, and its spent fuel contents. NRC's involvement, we were notified of the August 3rd event on the afternoon of August 6th. We then initiated daily oversight communications between San Onofre, NRC headquarters, and ourselves in the regional office. On August 7th, San Onofre committed to an NRC review, before resuming dry cask loading operations. On August 17th, we decided to conduct a special inspection. If you go to the Spotlight section of the NRC website, our charter is available for review there. We arrived at San Onofre to initiate our special inspection on September 10th, we were onsite the entire week, reviewing procedures, records, and talking with former and current employees. The inspection continued offsite until we formally exited with San Onofre on this past Thursday, November 1st,

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which brings us to our findings.

We have two preliminary violations that are being considered for escalated enforcement, those being a preliminary violation for the event itself, San Onofre's license requires that during downloading operations, the canister, MPC, be handled with redundant drop protection features to prevent uncontrolled lowering of the load. Contrary to the requirement, during MPC transfer, when loaded with spent fuel, the licensee failed to ensure the lifting equipment had redundant drop protection features to prevent uncontrolled lowering.

Specifically, San Onofre inadvertently disabled the important-to-safety downloaded slings, when personnel lowered the vertical cask transporter crossbeam to the fully seated position, while the MPC was suspended by the shield ring, approximately 18 feet above the fully seated position in the vault. The second preliminary violation being considered for escalated enforcement is the notification requirement.

10CFR

72.75(d)(1)

requires

that a licensee notify the NRC within 24 hours when important-to-safety equipment is disabled, or fails to function as designed. Contrary to the requirement, San Onofre failed to make proper NRC notification of the August 3rd event to the NRC Operation Center, until September 14th, they were prompted by us to make the required notification during our inspection.

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We are also considering three preliminary violations of lesser severity level to San Onofre, a violation for inadequate procedures, a violation for failing to acknowledge conditions adverse to quality for entry into the site's corrective action program, and a violation for inadequate training of personnel operating important-to-safety equipment.

It is important to note

that management oversight weaknesses contributed to each of the preliminary violations being considered by NRC. Southern California Edison and Holtec have both performed causal evaluations related to the August 3rd event.

Preliminary root and apparent causes are lack of adequate procedures, lack of adequate training to support the procedures, lack of adequate licensee oversight of contractor activities.

Some of the preliminary corrective actions at San Onofre revolve around enhancing the training requirements, procedure enhancements, and equipment enhancements to give more positive indication of a loss of load condition.

San Onofre is also looking at improving its performance in the oversight role.

NRC will perform an inspection at San Onofre to fully assess its corrective actions, prior to them resuming fuel handling operations.

A word or two about the event, and its significance. San Onofre was not required to have a drop analysis for this type of event because the license required redundant drop protection features at all times.

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That's why this misalignment event is so very significant.

San Onofre provided preliminary analysis of a canister drop from 19 feet into the vault, that analysis is still under review by NRC experts.

The San Onofre analysis document that the canister must still maintain confinement, and that no breach would occur, however, the analysis does describe that some fuel assemblies would likely fail, due to the drop.

However, the San Onofre preliminary analysis describes that the canister would still be able to perform safely, it would still meet all thermal, pressure, criticality, and confinement criteria.

This part of the analysis is still under review.

NRC plans to issue its special inspection report before the Thanksgiving holiday.

Next steps involve dispositioning the escalated enforcement findings, which means moving through the NRC enforcement process, along with San Onofre,

to disposition with preliminary violations and severity levels to be assigned.

The timing of that process begins once we issue the inspection report.

Having moved through the events of August 3rd, and having discussed NRC and San Onofre's next steps, I'll hand the presentation back over to Mr. Troy Pruett.

- Thank you, Eric, I'm going to, I'm going to pause for just a second, and, and ask a couple of questions to you.

- Okay.

- That, that we've been receiving through the chatroom.

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- All right.
- One of the questions involves redundant drop protection, and so what was the redundant drop protection?
- Okay, as I mentioned earlier in the presentation, I pointed out two yellow slings, each of those slings can fully support the weight of a loaded canister, that is to say, the weight of a loaded MPC, and since there are two slings, that counts as redundant drop protection. Again, they can both completely support the weight of the loaded MPC, if one fails, the other one is there to provide that redundant protection.
- Right, so Rachel, could you pull up slide 10?
- There we are.
- Right, so slide 10 is the picture of the shield cone, and as Eric mentioned earlier, there's a photo there showing the two yellow slings, that is the redundant drop protection, so.
- Yes, and the event revolves around inadvertently disabling both of those slings by having the crossbeam in the fully lowered position, while those slings were completely slack. If there had been, in the event of a drop, those slings would have been rendered completely incapable of stopping that drop.
- And then there were another set of questions, was, just, just how much does one of these canisters weigh?
- well, they're analyzed to weigh up to 113,000 pounds, but I think the MPC in question was roughly around 100,000 pounds, so 50 tons.
- Okay, and then, and then

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about how many fuel assemblies does the canister hold?

- Each fuel, each MPC 37, as named,  
will hold 37 spent fuel assemblies.  
- okay, thank you, so I'm going to,  
I'm going to conclude the, our meeting presentation,  
and then we still have some more questions that my staff  
that's monitoring the chatroom is sending me,  
and we'll jump into the questions in just a minute, so.  
So I bet the take aways are,  
this event could have been prevented  
with effective management and supervisory oversight  
of important-to-safety operations performed at San Onofre.  
Management oversight weaknesses led  
to inadequate training of the staff,  
the failure to provide appropriate procedures,  
not identifying and correcting conditions adverse  
to quality, and not providing appropriate supervision  
at job sites, these deficiencies converged  
on August the 3rd, resulting in a failure  
to provide redundant load drop protection,  
during the downloading of a spent fuel canister.  
As a result, the NRC has increased the regulatory oversight  
at the facility to ensure that the root  
and contributing causes are understood,  
and that the corrective actions will prevent another loss  
of load event, so with that,  
that's going to wrap up our formal part of the presentation,  
and we're going to transition into responding  
to the questions and the comments  
that we're receiving in the chatroom.  
So one of the,  
or many of the questions

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and comments involve the retrievability of a canister.

And I know, Patty, this was something we talked about yesterday, would you like to touch on what the, is a licensee required to be able to retrieve a canister, and maybe Eric, you can jump in if you, if you hear something that needs to be said.

- well, if you like, I can start off on this, and-- - Okay, all right.

Fair enough. - well, 10CFR72

.122(1)

requires that storage systems must be designed to allow ready retrieval of spent fuel, high level waste, and reactor related grade and class C waste for further processing of disposal, and each licensee must demonstrate the ability to retrieve a canister, for taking back into the spent fuel pool, if it's available. And licensees are also required to demonstrate the ability to cut open a canister to allow them access to the spent fuel contents inside.

Now, saying this, I will tell you all that each licensee, generally, does not have to display the ability to cut open a canister, we allow for the vendor to demonstrate the ability to cut that canister open at their facility, the belief being that if the licensee ends up in the position where they have to retrieve a canister, and take it back into their spent fuel pool, the vendor can provide them with the equipment to cut that canister open. And Holtec has demonstrated

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that they can cut open an MPC 37, or an MPC 89 canister,  
which are other types of canisters  
that are licensed for storage in the UMAX vault.

- And then, and then, Eric, I'm going to send this question  
to you, as well. - Okay.

- Was there actual damage to the canister in question?

- We don't believe there was damage  
to the canister in question, or at least not to the extent  
that its safety features are being disabled, however,  
we think that the Aging Management process will be able  
to go in and inspect these canisters  
because San Onofre is part of the Aging Management,  
we will be inspecting the canisters for degradation,  
beginning within five years.

- And what, if this canister really dropped,  
as a result of this misalignment event,  
what do you perceive the consequences would have been?

- Well, as it stands now,  
we do not believe the canister would have been breached.  
It would have ended up being a question of the contents.  
If the contents were designated as undamaged fuel,  
certainly everybody who's been looking  
at these drop analyses pretty much concedes  
that the fuel inside the canister will no longer meet  
the criteria of undamaged fuel.

It would end up being a question as to whether we,  
they want a license amendment to allow them  
to remain in the stored position,  
and damaged fuel, or whether or not we would be asking them  
to retrieve the canister to remove the spent fuel contents,  
to repackaging in a damaged fuel canister.

- Okay.

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And isn't, isn't the August 3rd event exactly the same as the event that happened in July?

- It is not, the event that happened in July, one of the reasons I think that it did not make its way into the corrective action program is because I think that they believed that during that entire extended time it took them to download the MPC into the UMAX vault, for the record, [there was an event on July 22nd, where San Onofre experienced an abnormal delay in downloading operations, what should have taken 15 minutes ended up taking an hour and a half because they failed to get the MPC properly aligned for downloading for over an hour and a half. Again, this should have taken place in 15 minutes or less, during that time, never was the MPC, or the canister, not suspended by the slings, every time they attempted to download, they caught the loss of load condition.] The VCT operator actually caught the loss of load condition using his monitoring devices on the vertical cask transporter screen, something that did not happen on August 3rd, where the VCT operator was not monitoring these proper parameters on his vertical cask transporter screen. So they were always within procedure during this event. We feel, however, that the event being captured in what was known as a production traveler, it should have also been recorded, and it's part of their corrective action program. So at no point were the redundant safety features

# EXHIBIT 5

1 3RD QUARTER COMMUNITY ENGAGEMENT PANEL  
2 (REGULAR MEETING)  
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11 REPORTER'S TRANSCRIPT OF PROCEEDINGS  
12

13 Oceanside, California

14 Wednesday, August 9, 2018  
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22 Reported by:

23 Heidi Hummel-Grant

24 CSR No. 12556

25 PAGES 1 - 157

1 who have been following us closely know, [Edison has 05:38  
2 established a team of experts to help them develop a  
3 plan for the removal of the spent fuel from the site and  
4 for accelerating the various things, including changes  
5 in law, that will be needed to make removal of the spent 05:39  
6 fuel from the site possible.]

7           Tonight we have two members of that panel here,  
8 one of them, Tom Isaacs. Tom, where are you? Right  
9 there. Tom Isaacs, former Office of Policy of the  
10 Department of Energy, who is chairman of that panel. 05:39  
11 Tom and I had a chance to meet and discuss the work of  
12 the Panel -- the work of the Community Engagement Panel  
13 in some detail yesterday. And we are very much looking  
14 forward to working with them and also bringing Tom's  
15 panel back to future meetings over the course of the 05:39  
16 next year or so.

17           Other member from the expert panel here with us  
18 tonight is Gary Lanthrum -- right over here -- Gary is a  
19 specialist on transportation of high-level nuclear  
20 waste, among many other things. He was a director of 05:39  
21 the National Transportation Program for Yucca  
22 Mountain -- the Yucca Mountain Repository. He's going  
23 to talk with us later tonight about the theme of  
24 tonight's meeting, which is about current practices in  
25 used fuel transportation. So, Gary, thank you very much 05:40

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1 for joining us tonight. 05:40

2 There are a range of information booths, some  
3 from Edison, some from other organizations. Hope you  
4 had a chance to take a look at these. They will be open  
5 also doing the break. 05:40

6 Want to remind everybody that the Community  
7 Engagement Panel is a conduit set up between Edison and  
8 the communities for two-way flow of information. So  
9 it's not a decision-making body; we don't form  
10 decision-making procedures. But the idea was, and is, 05:40  
11 to help Edison understand what members of the  
12 communities that are affected by the decommissioning  
13 process are concerned about and hearing, and then to  
14 help members of the community affected by -- the  
15 communities affected by the process to learn more about 05:40  
16 what Edison's actually doing with the decommissioning  
17 process.

18 Want to review the agenda for tonight's meeting,  
19 which is shown up on the screen here. We're in the  
20 welcoming and opening comments phase of the agenda. 05:41  
21 We're going to have a few general updates in just a  
22 moment, then go to Tom Palmisano's update on  
23 decommissioning, and then to Gary Lanthrum, and then  
24 back to some questions before the break. We will, as  
25 always, have a public comment period after the break. 05:41

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1           We've shared -- thank you -- we've shared the           05:41  
2   slide deck with the members of the panel, the Community  
3   Engagement Panel, last week, and it's also, I believe  
4   posted, on SONGScommunity.com. The agenda, along with  
5   heard-to-read materials are all on you chairs.           05:41

6           Gary Lanthrum, I want to particularly thank you  
7   for your slides, because you've also beaten Tom's  
8   previous record of having hard-to-read slides. And so I  
9   want to thank you for that contribution tonight. And as  
10  all of you know, a couple of slides from Tom's           05:42  
11  presentation, which will be just -- Gary's presentation,  
12  which will be traffic.

13           The meeting, as always, is being live streamed  
14  on SONGScommunitylive -- SONGScommunity.com.

15           For those of you watching the live stream and           05:42  
16  also for the benefit of our court reporter, please  
17  state -- members of the panel, please state your name  
18  when you're making comments so that people know who's  
19  making which comment. And if you want the floor to make  
20  a comment or raise a question, raise your flag, like           05:42  
21  that.

22           If a member of the public would like to make a  
23  comment during the public comment period, please sign up  
24  on the sheet that's outside as you walked in. And  
25  there's already been 20 or so -- 25 people who have           05:42

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1 already signed up. But that will remain open all night. 05:42

2 So if you want the floor, please do that so we have a  
3 chance to get those comments.

4 And Dan Stetson and Steve Swartz will help us  
5 collect some of those comments, get the responses, where 05:43  
6 possible, tonight, and also help organize the list of  
7 comments and responses that we, as is the custom, can  
8 put up on the website. We'll talk a little more about  
9 that tonight.

10 If you don't want to talk in public but you 05:43  
11 still have a comment, you can send it to that email  
12 address right there within five days of the meeting  
13 finishing, and it will be part of the public record and  
14 it will get responses. And along the way I will call  
15 out various items that need action and so on so that the 05:43  
16 process works reasonably efficiently.

17 So let's move now and first see if anybody on  
18 the panel has any questions or comments? So far I  
19 haven't made any major errors in summarizing the agenda.

20 So I just want to talk through a couple slides 05:43  
21 with some updates about the Community Engagement Panel  
22 before go to Tom Palmisano.

23 So first, I want to just give you a couple of  
24 updates about things we've observed in the industry.  
25 First, about -- about Holtec, which is the company, as 05:44

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1 you know, that is -- has built the ISFSI, which is the 05:44  
2 site where the spent fuel -- new spent fuel canisters  
3 are being stored, it's providing those canisters. They  
4 are also building a consolidated interim storage in  
5 eastern New Mexico. That process is moving through the 05:44  
6 Nuclear Regulatory Commission's licensing process. As  
7 far as I can tell, all on schedule, from the application  
8 that was filed in March 2017. And the preliminary  
9 schedule suggests that the license will be issued in  
10 July 2020. 05:44

11 I mean, as we've discussed many times at these  
12 meetings, we don't see the licensing as the big issue  
13 here. [The big issue here is the needed change in  
14 federal law to make it possible to move spent fuel to  
15 such as Holtec's facility in eastern New Mexico or a 05:44  
16 similar facility that is now being restarted in western  
17 Texas.]

18 I do want to mention there's a significant  
19 change underway right now in the nuclear industry as  
20 more plants are shut. That change is that firms are 05:45  
21 emerging specialized in the decommissioning of nuclear  
22 plants. One of the firms is the AECOM, a consortium  
23 that has the contract for decommissioning the San Onofre  
24 plant. We will, I think, within the next 12 months have  
25 a chance to hear from them in some detail as to what 05:45

1 levels that -- should warn us that we should need to 07:55  
2 move it further back before it's too late.

3 So I know the idea of decommissioning the ISFSI  
4 is a projected date of 2051. I don't know where I will  
5 be in 33 years, but I hope I see it moved in my 07:55  
6 lifetime.

7 Thank you.

8 DR. VICTOR: Thank you very much.

9 Next is David Fritch. And then Nancy Select  
10 [sic]. 07:55

11 David Fritch, the floor is yours.

12 MR. FRITCH: Thank you. My name is David Fritch. I  
13 am a worker on the ISFSI project. I do fieldwork as --  
14 F-R-I-T-C-H -- I'm industrial safety, so OSHA stuff,  
15 not nuclear stuff, but I'm out there. 07:56

16 And I may not have a job after tomorrow for what  
17 I'm about to say, but that's fine, because I made a  
18 promise to my daughter that if no one else talked about  
19 what happened Friday, that I would.

20 About 12:30 August 3rd we were downloading, and 07:56  
21 the canister didn't download but the rigging came all  
22 the way down. It was gross errors on the part of two  
23 individuals.

24 UNKNOWN SPEAKER: Can you speak up?

25 UNKNOWN SPEAKER: Speak up. 07:56

1 MR. FRITCH: There were gross errors on the part of 07:56  
2 two individuals, the operator and the rigger, that are  
3 inexplicable.

4 So what we have is a canister that could have  
5 fallen 18 feet. That's a bad day. That happened. 07:57

6 You haven't heard about it, and that's not  
7 right. My friend here is right, public safety should be  
8 first. I've been around nuclear for many years, it's  
9 not behind that gate, it's not.

10 Here's a few things I've observed in the three 07:57  
11 months I've been here: SCWE, the safety conscious work  
12 environment, where people are constantly given  
13 encouragement to raise concerns, it's not repeatedly or  
14 even -- I've never even received SCWE training since  
15 I've been on-site; that's not standard for a nuclear 07:57  
16 site.

17 Operational experience is not shared. That  
18 problem had occurred before, but it wasn't shared with  
19 the crew that was working.

20 We're undermanned. Don't have the proper 07:58  
21 personnel to get things done safely. It's certainly  
22 undertrained. Many of the experienced supervisors --  
23 what we call CLSs, cask load supervisors, once they  
24 understand the project, how everything works, are often  
25 sent away and we get new ones that don't understand as 07:58

1 well as -- as even the craft, basic construction in 07:58  
2 craft. A lot of them that haven't been around nuclear  
3 before, performing these tasks. Not technicians, not  
4 highly training, not thorough briefs. This is an  
5 engineering problem. 07:58

6 What happened is inside of that cask there is a  
7 guide ring about four feet down, and it's to guide that  
8 canister down correctly to be centered in the system.  
9 Well, it actually caught that. And from what I  
10 understand, it was hanging by about a quarter-inch. 07:59

11 DR. VICTOR: Thank you very much for you comment.

12 UNKNOWN SPEAKER: Please let him continue. Let him  
13 continue.

14 DR. VICTOR: I'm not trying to cut him off. He  
15 stopped. It's the end of the time. So I asked -- 07:59  
16 thanked him for his comments.

17 MR. FRITCH: Sure, sure. I just -- I mean,  
18 obviously the point is clear, because people have said  
19 Edison's not forthright about what's going on. I'm  
20 sure they'll tell you they were going to bring this out 07:59  
21 once it was analyzed, et cetera, et cetera. I'm sure  
22 they've been preparing what they would answer if it  
23 comes out.

24 And I came here tonight to see if this event  
25 would be shared with the community, and I was 07:59

1 disappointed to see that it was not. 07:59

2 I want to thank the community of San Clemente.  
3 It's a beautiful, wonderful community with amazing  
4 people, they've been great to me. My family's here with  
5 me for the month. 07:59

6 And unless Edison and Holetec commit to defining  
7 success on this project as safety -- I'm not talking  
8 about really the concerns that were voiced today; I'm  
9 just talking about downloading, getting the fuel out of  
10 the building safely -- and -- and are we going to 08:00  
11 address what would have happened if that canister would  
12 have fallen? Even if the shell wasn't penetrated, now  
13 will they take it in a repository site? But the  
14 question is: Will Edison and Holetec commit to defining  
15 success primarily in terms of nuclear safety? And there 08:00  
16 will be -- will there be transparency, commitment to  
17 safety and the financial commitment to make sure that  
18 it's done successfully?

19 Thank you.

20 DR. VICTOR: Thank you very much for your comments. 08:00

21 UNKNOWN SPEAKER: You're my hero, dude.

22 DR. VICTOR: Nancy Select [sic] and then  
23 Donna Gilmore.

24 UNKNOWN SPEAKER: I'll withdraw my request to speak.

25 DR. VICTOR: Thank you. 08:00

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1 Donna Gilmore, then Gary Headrick. 08:00

2 Donna Gilmore, the floor is yours.

3 MS. GILMORE: We have the same question every time.

4 What are you going to do with a leaky canister? The

5 only options are put it in the pool. We now know these 08:01

6 canister are being loaded so damn hot we can't do that.

7 The only other option, as you told me on a side

8 conversation, Tom, is a hot cell. You don't have any

9 plans to do that. The other option you've talked about

10 offline and that you said is a -- some kind of an 08:01

11 overpack cask. It -- there's no thermal analysis done

12 for that. No one has approached the NRC to do that.

13 We've got 15-year-old canisters here. The only plan

14 that I know that you're actually doing is you've asked

15 AREVA, your vendor, to no longer have to report the 08:01

16 radiation levels coming out of the outward air vents.

17 The only possible reason to not share those levels is

18 to hide them. So instead of getting public radiation

19 monitoring, you're going behind and getting the NRC to

20 approve stopping measuring those radiation levels. If 08:02

21 there's leaks in the canister, they will go out those

22 outlet air vents. I did some research. The Edison --

23 NRC has already approved this for Calvert Cliffs.

24 Their canisters are 25-years-old.

25 So the real plan -- you guys, everybody, the 08:02

1           Before I turn the floor to Steve and to Dan, I           08:36  
2           want to say two things: First, can we put on the list  
3           of things that need to get discussed right now the  
4           extreme events workshop? Because a number of people  
5           raised concerns about what -- why aren't we looking at           08:36  
6           the extreme events and accidents happen -- and some of  
7           those are really important comments and some work is  
8           underway with members of the community to work on that.

9           But I think before we go to the other  
10          questions -- Tom, I think, you know with the limits of           08:36  
11          what you can discuss concerning operational issues and  
12          personnel issues, tell us what people need to know right  
13          now and also what the plan is to tell them more.

14          MR. PALMISANO: [Sure.

15          First of all, the gentleman who brought that           08:37  
16          up -- I'm not familiar with him --) and I'll assure you  
17          I'll go back and make sure that he is protected. And he  
18          has a right to voice his concern, and that's important.  
19          So I -- I credit him with bringing up an issue.

20          [What occurred Friday -- first of all, nothing           08:37  
21          was dropped.] Okay? In downloading a canister, the  
22          canister -- and I'll bring a graphic next time, and what  
23          I'll do is I'll write a letter to the CEP that we can  
24          circulate publically so you have the facts. It's an  
25          industrial safety issue.   08:37

1 In downloading a canister, this -- the sealed 08:37  
2 canister has about nine-sixteenths, a half inch to  
3 nine-sixteenths, clearance to go through this ring.

4 [It's not unusual that it contacts the centering guides.  
5 Sometimes it comes to rest on the ring.] It's got to be 08:37  
6 recognized, lifted off, the crane's moving slightly when  
7 we center it. That's what has to happen; that's what  
8 did not happen in an effective manner on Friday.

9 [The two people involved -- and I won't discuss  
10 the specifics because they have rights as well -- did 08:38  
11 not recognize that the canister they were lowering hung  
12 up. And it took a matter of, you know, a number of  
13 minutes.] Our monitor, Edison's monitor, recognized  
14 something was not right, brought it to the attention of  
15 the contractor doing the job. They then lifted the 08:38  
16 canister out and reset it.

17 The industrial safety concern for a drop would  
18 be while that canister is sitting on an edge and, let's  
19 say, wedged in the download position by lowering the  
20 slings on the crane could a drop have occurred. Okay? 08:38  
21 It appears unlikely, but you can't rule anything out.

22 [So it's an industrial safety issue in terms of a drop.

23 The canister itself is designed to withstand  
24 that. But that doesn't excuse it. So a serious near  
25 miss, if you will, in terms of a rigging issue.] And 08:38

Page 133

1 I'll be glad to provide more detail. 08:38

2 Again, what's important is, you know, the  
3 canister was safely set down within an hour of  
4 identifying the issue. No risk to the spent fuel or the  
5 public. [No risk to the workers involved. An error on 08:39  
6 the part of the crew.] So me and the contractor are  
7 looking into training, proper instructions, et cetera.  
8 And I'll be glad to detail more of that in writing to  
9 that panel and let you know.

10 DR. VICTOR: I think it would very helpful to detail 08:39  
11 that, not just the particular incident but also what  
12 the larger process is for detecting, not just this  
13 event, but other kinds of events, and improving worker  
14 training and -- both on the nuclear side but also on  
15 the worker safety side as well. 08:39

16 MR. PALMISANO: And that's why I say we pause  
17 periodically to look at what we've learned and improve  
18 our procedures, improve our training. This obviously  
19 is an issue that we clearly need to act on before we  
20 download the next canister, which we will. 08:39

21 But as we're going through the process, we make  
22 sure we look back at what has worked and what has not  
23 worked.

24 DR. VICTOR: Thank you very much.

25 Dan and Steve are going to put -- hand all these 08:39

1 questions back to folks, including Gary. 08:39

2 UNKNOWN SPEAKER: Why no report on that tonight?

3 Why didn't you report on --

4 DR. VICTOR: Excuse me, Steve and --

5 UNKNOWN SPEAKER: Can you have him answer that 08:40

6 question, though? Why didn't you report on it tonight,

7 Tom?

8 DR. VICTOR: He just explained why he --

9 [UNKNOWN SPEAKER: No, I want to know why the report

10 didn't happen tonight, without the guy giving -- the 08:40

11 whistleblower. That's my]--

12 DR. VICTOR: This is not a formal whistleblower

13 process.

14 UNKNOWN SPEAKER: I just want to know why the report

15 wasn't -- 08:40

16 DR. VICTOR: And --

17 UNKNOWN SPEAKER: Answer that question.

18 DR. VICTOR: Okay. Tom, briefly.

19 [MR. PALMISANO: Fair question. There was no risk to

20 spent fuel, no risk to the public. It was a rigging 08:40

21 issue that leads to an industrial safety issue. It was

22 unacceptable.

23 I judged we had other comments to discuss

24 tonight, and didn't view it at the same level -- if you

25 remember in the first meeting we talked about the shim 08:40

1 issue that one of the commenters brought up -- didn't 08:40  
2 rise to the level of affecting the capability of the  
3 canister. My judgment call on that.]

4 UNKNOWN SPEAKER: That's a good report made to --

5 DR. VICTOR: Dan -- Dan and Steve, please. 08:40

6 MR. PALMISANO: The outer seal --

7 UNKNOWN SPEAKER: That's ridiculous.

8 DR. VICTOR: Please, I don't think it's helpful in a  
9 public meeting to call people ridiculous. He's  
10 explained his view as a professional -- sir, I'm 08:41  
11 speaking.

12 He's explained his view as a professional in  
13 this area overseeing this process and dealing with  
14 contractors, and he has also outlined for us how he's  
15 going to provide additional information back to the CEP 08:41  
16 and the public in a very timely way. And I can assure  
17 you, sir, that we will make sure that happens.

18 So why don't we allow some of the other  
19 questions to be addressed as well.

20 Gary Brown? 08:41

21 MR. BROWN: Is this on?

22 If I could just kind of make a few comments.  
23 I've served on this panel since it started. So I've  
24 been here all four years. I'm a little disappointed in  
25 tonight's meeting, because I -- the bottom line, I -- I 08:41

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# EXHIBIT 6

## Michael Aguirre

---

**From:** Michael Aguirre  
**Sent:** Monday, April 1, 2019 12:56 PM  
**To:** Linda Anabtawi; Maria Severson; Jessica Rankin  
**Cc:** Michael Aguirre  
**Subject:** RE: (External):RE: SCE ISFSI Settlement Implementation Status Report #10 and Fuel Report #16

Linda, as you know we are concerned that SCE is making the relocation of the waste much more problematic because of the uncertainty of nuclear fuel damage, the fact that SCE loaded 4 unlicensed cannisters (with pin supported shims) the fact SCE used practice cannisters that were too small to test its downloading capability, the fact that SCE did not report the pattern of CFR violations, even after the whistleblower came forward on 9 August, and the fact that SCE is trying to get a permanent expansion of the seawall after promising not to do so. SCE never got back to us on the question of whether it would agree to a court appointed partial master (receiver). As an alternative will SCE agree to allow us to take limited deposition and document discovery regarding the above, and pay reasonable attorneys fees? Please get back to us as soon as you can. Thank You Mike Aguirre

**From:** Linda Anabtawi <Linda.Anabtawi@sce.com>  
**Sent:** Monday, April 1, 2019 12:37 PM  
**To:** Maria Severson <mseverson@amslawyers.com>; Jessica Rankin <jessica.rankin@sce.com>; Michael Aguirre <maguirre@amslawyers.com>  
**Cc:** Ian Forrest <Ian.Forrest@sce.com>; Derek Brice <derek.j.brice@sce.com>  
**Subject:** RE: (External):RE: SCE ISFSI Settlement Implementation Status Report #10 and Fuel Report #16

Mia,

We are in the process of hiring the consultant and do not intend to make any public announcements or disclose the name of that consultant until they are formally retained. We are working diligently to complete the retention process and will keep you informed. Thanks.

Linda

**From:** Maria Severson [<mailto:mseverson@amslawyers.com>]  
**Sent:** Monday, April 01, 2019 12:01 PM  
**To:** Jessica Rankin <jessica.rankin@sce.com>; Mike Aguirre <maguirre@amslawyers.com>  
**Cc:** Linda Anabtawi <Linda.Anabtawi@sce.com>; Ian Forrest <Ian.Forrest@sce.com>; Derek Brice <derek.j.brice@sce.com>  
**Subject:** (External):RE: SCE ISFSI Settlement Implementation Status Report #10 and Fuel Report #16

Linda, Who is the consultant that has been/is being retained?

Mia

**From:** Jessica Rankin <jessica.rankin@sce.com>  
**Sent:** Monday, April 1, 2019 11:30 AM  
**To:** Michael Aguirre <maguirre@amslawyers.com>; Maria Severson <mseverson@amslawyers.com>  
**Cc:** Linda Anabtawi <Linda.Anabtawi@sce.com>; Ian Forrest <Ian.Forrest@sce.com>; Derek Brice <derek.j.brice@sce.com>  
**Subject:** SCE ISFSI Settlement Implementation Status Report #10 and Fuel Report #16

Mike and Mia,

Per Section II.B.6 of the Settlement Agreement Regarding Coastal Development Permit for Storage of San Onofre Spent Nuclear Fuel, please find attached SCE's Settlement Agreement Implementation Status Report #10 and Fuel Report #16.

**Jessica Rankin**

Senior Attorney

Law Department, Environmental Section

T. 626-302-4566 | M. 310-890-9986

2244 Walnut Grove Ave., Rosemead, CA 91770

---



# EXHIBIT 7

# ALSTON & BIRD

333 South Hope Street, 16th Floor  
Los Angeles, CA 90071-1410  
213-576-1000 | Fax: 213-576-1100

Edward J. Casey

Direct Dial: 213-576-1005

Email: ed.casey@alston.com

April 2, 2019

**CONFIDENTIAL MEDIATION COMMUNICATION**

*VIA EMAIL*  
maguirre@amslawyers.com

Michael J. Aguirre, Esq.  
Aguirre & Severson, LLP  
501 West Broadway, Suite 1050  
San Diego, CA 92101

Re: *Citizens Oversight, Inc., et al. v. California Coastal Commission, et al.*  
San Diego County Superior Court Case No. 37-2015-00037137-CU-WM-CTL

Dear Mr. Aguirre:

[REDACTED]

[REDACTED]

[REDACTED]

Michael J. Aguirre, Esq.  
April 2, 2019  
Page 2

[REDACTED]

[REDACTED]

[REDACTED]

Very truly yours,

ALSTON & BIRD LLP

  
Edward J. Casey

EJC/ysr

cc: Honorable Gail Andler, JAMS [Via Email]  
Maria Severson, Esq. [Via Email]  
Linda Anabtawi, Esq. [Via Email]  
Ian Forrest, Esq. [Via Email]

# EXHIBIT 8

## Michael Aguirre

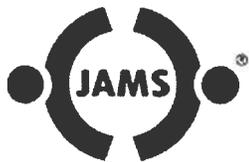
---

**From:** Nicole Burns <NBurns@jamsadr.com>  
**Sent:** Wednesday, August 7, 2019 11:21 AM  
**To:** ed.casey@alston.com; Maria Severson; Michael Aguirre; andrea.warren@alston.com; Colin.Lennard@sce.com; Linda.Anabtawi@sce.com  
**Cc:** Yolie.Ramos@alston.com; Maria Byrnes  
**Subject:** Citizens Oversight, Inc., et al. vs. California Coastal Commission, et al. - JAMS Ref No. 1200053933

Good morning Counsel,

At your earliest convenience please advise as to the status of the finalized settlement of this matter.

Thank you!  
Nicole



**Nicole Burns**  
Case Manager

**JAMS - Local Solutions. Global Reach.™**  
5 Park Plaza | Suite 400 | Irvine, CA 92614  
P: 714-937-8250  
[www.jamsadr.com](http://www.jamsadr.com)

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*JAMS Orange has moved to Irvine!  
Please take note of our new address above.*

# EXHIBIT 9

## Michael Aguirre

---

**From:** Casey, Ed <Ed.Casey@alston.com>  
**Sent:** Wednesday, September 25, 2019 12:59 PM  
**To:** Michael Aguirre; Linda Anabtawi  
**Cc:** Maria Severson; Elijah Gaglio; gandler@jamsadr.com; tlunceford@jamsadr.com  
**Subject:** RE: Pause Downloading

Acknowledging receipt. We will evaluate and respond to you.

Ed Casey  
Partner, **Alston & Bird LLP**  
333 South Hope Street, 16th Floor  
Los Angeles, CA 90071  
Direct: 213.576.1005 | Office: 213.576.1000 | Cell: 818.203.0499  
[ed.casey@alston.com](mailto:ed.casey@alston.com) | [Bio](#)

**From:** Michael Aguirre <maguirre@amslawyers.com>  
**Sent:** Wednesday, September 25, 2019 12:16 PM  
**To:** Linda Anabtawi <Linda.Anabtawi@sce.com>; Casey, Ed <Ed.Casey@alston.com>  
**Cc:** Maria Severson <mseverson@amslawyers.com>; Elijah Gaglio <etgaglio@gmail.com>; gandler@jamsadr.com; tlunceford@jamsadr.com  
**Subject:** Pause Downloading

**EXTERNAL SENDER – Proceed with caution**

---

Greetings:

Since we entered into a Settlement Agreement, we have learned the following facts about Southern California Edison's practices at the San Onofre nuclear waste site. SCE has (1) practiced downloading with cannisters that were too small, (2) used cannisters with a shim supported cooling system the NRC had not approved, (3) did not report several instances of the cannisters colliding with their storage silos during downloading, (4) falsely reported downloading was paused in order to give crews a "rest," and (5) continued to use the downloading system that is systemically scratching and scraping cannisters causing unrepaired defects (see attached).

SCE has promised to make a "commercially reasonable effort" to relocate the waste from the beach at San Onofre to a safer location. Under the applicable implied covenant of good faith and fair dealing, SCE is required to load the waste so that it can be relocated. SCE's downloading record has put a cloud over the storage cannisters that makes it infeasible to relocate them unless corrective action is immediately taken. We are requesting SCE pause the downloading to allow the parties to develop a corrective action plan.

Thank You,  
Mike Aguirre

Michael J. Aguirre, Esq.  
**AGUIRRE & SEVERSON, LLP**

501 W. Broadway, Ste. 1050  
San Diego, CA 92101  
619-876-5364 (office)  
619-252-1123 (cell)

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# EXHIBIT 10



# RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) REQUEST

2019-000239

2

RESPONSE TYPE

INTERIM

FINAL

**REQUESTER:**

Michael Aguirre

**DATE:**

09/09/2019

**DESCRIPTION OF REQUESTED RECORDS:**

All records of communications from 11/29/18 to 3/21/19 between Southern California Edison (SCE) and the NRC with respect to the NRC's enforcement decisions stemming from the NRC Special Inspection that evaluated an August 3, 2018 incident at SONGS during fuel transfer operations, which was the subject of a March 25, 2019 public meeting.

### PART I. -- INFORMATION RELEASED

- The NRC has made some, or all, of the requested records publicly available through one or more of the following means: (1) <https://www.nrc.gov>; (2) public ADAMS, <https://www.nrc.gov/reading-rm/adams.html>; (3) microfiche available in the NRC Public Document Room; or FOIA Online, <https://foiaonline.regulations.gov/foia/action/public/home>.
- Agency records subject to the request are enclosed.
- Records subject to the request that contain information originated by or of interest to another Federal agency have been referred to that agency (See Part I.D -- Comments) for a disclosure determination and direct response to you.
- We are continuing to process your request.
- See Part I.D -- Comments.

### PART I.A -- FEES

<b>AMOUNT</b>

- You will be billed by NRC for the amount indicated.
- You will receive a refund for the amount indicated.
- Fees waived.
- Since the minimum fee threshold was not met, you will not be charged fees.
- Due to our delayed response, you will not be charged search and/or duplication fees that would otherwise be applicable to your request.

### PART I.B -- INFORMATION NOT LOCATED OR WITHHELD FROM DISCLOSURE

- We did not locate any agency records responsive to your request. *Note:* Agencies may treat three discrete categories of law enforcement and national security records as not subject to the FOIA ("exclusions"). See 5 U.S.C. 552(c). This is a standard notification given to all requesters; it should not be taken to mean that any excluded records do, or do not, exist.
- We have withheld certain information pursuant to the FOIA exemptions described, and for the reasons stated, in Part II.
- Because this is an interim response to your request, you may not appeal at this time. We will notify you of your right to appeal any of the responses we have issued in response to your request when we issue our final determination.
- You may appeal this final determination within 90 calendar days of the date of this response. If you submit an appeal by mail, address it to the FOIA Officer, at U.S. Nuclear Regulatory Commission, Mail Stop T-2 F43, Washington, D.C. 20555-0001. You may submit an appeal by e-mail to [FOIA.resource@nrc.gov](mailto:FOIA.resource@nrc.gov). You may fax an appeal to (301) 415-5130. Or you may submit an appeal through FOIA Online, <https://foiaonline.regulations.gov/foia/action/public/home>. Please be sure to include on your submission that it is a "FOIA Appeal."

### PART I.C -- REFERENCES AND POINTS OF CONTACT

You have the right to seek assistance from the NRC's FOIA Public Liaison by submitting your inquiry at <https://www.nrc.gov/reading-rm/foia/contact-foia.html>, or by calling the FOIA Public Liaison at (301) 415-1276.

If we have denied your request, you have the right to seek dispute resolution services from the NRC's Public Liaison or the Office of Government Information Services (OGIS). To seek dispute resolution services from OGIS, you may e-mail OGIS at [ogis@nara.gov](mailto:ogis@nara.gov), send a fax to (202) 741-5789, or send a letter to: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001. For additional information about OGIS, please visit the OGIS website at <https://www.archives.gov/ogis>.



**RESPONSE TO FREEDOM OF  
INFORMATION ACT (FOIA) REQUEST**

2019-000239

2

RESPONSE  
TYPE

INTERIM

FINAL

**PART I.D -- COMMENTS**

This is the second, and final, response to your request.

The following documents consist of information that the NRC determined, after conferring with the licensee and NRC staff, is proprietary to the licensee. Accordingly, these documents are being withheld in their entirety under FOIA exemption 4:

- (1) HSP-320: Standard Remedial Work Practices In Fabrication Of Safety Significant Components, Rev. 35
- (2) HPP-2464-400 – MPC Transfer at SONGS
- (3) HPP-2464-500 – MPC Unloading at SONGS
- (4) Holtec Position Paper DS-330, Technical Justification for the Pre-approved Conditions in HSP-320, Rev. 3 Holtec Dry
- (5) Storage Position Paper DS-469, Incidence and Consequence of Canister Shell Scratching From Misaligned Insertion of a Loaded MPC at SONGS, Rev. 1
- (6) Event Response Plan, Rev. 11
- (7) HI-2188437 – Incidence and Consequence of Canister Shell Wear Scars From Misaligned Insertion of a Loaded MPC At SONGS
- (8) HPP-2464-100 – MPC Pre-Operation Inspection, Rev. 10
- (9) HPP-2464-200 – MPC Loading, Rev. 14
- (10) HPP-2464-300 - MPC Sealing, Rev. 13
- (11) HPP-2464-600 - Responding to Abnormal Conditions, Rev. 9
- (12) PS-223 – Procurement Specification For Safety Significant Rigging, Rev. 0
- (13) PS-1234 – Purchase Specification For The MPC Downloading Sling For Downloading using The VCT
- (14) HI-2156626 – VCT Stability Analysis on Route To ISFSI Pad and On ISFSI Pad For SONGS
- (15) PS-3209 – Purchase Specification For the MPC Lift Cleats For The hi-Storm FW System, Rev. 3; and
- (16) Vendor Documentation
- (17) Load Shackle Certifications

Signature - Freedom of Information Act Officer or Designee

**Stephanie A. Blaney**

Digitally signed by Stephanie A. Blaney

Date: 2019.09.09 06:29:11 -04'00'



## RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) REQUEST

2019-000239

DATE:

09/09/2019

### PART II.A -- APPLICABLE EXEMPTIONS

Records subject to the request are being withheld in their entirety or in part under the FOIA exemption(s) as indicated below (5 U.S.C. 552(b)).

- Exemption 1: The withheld information is properly classified pursuant to an Executive Order protecting national security information.
- Exemption 2: The withheld information relates solely to the internal personnel rules and practices of NRC.
- Exemption 3: The withheld information is specifically exempted from public disclosure by the statute indicated.
  - Sections 141-145 of the Atomic Energy Act, which prohibits the disclosure of Restricted Data or Formerly Restricted Data (42 U.S.C. 2161-2165).
  - Section 147 of the Atomic Energy Act, which prohibits the disclosure of Unclassified Safeguards Information (42 U.S.C. 2167).
  - 41 U.S.C. 4702(b), which prohibits the disclosure of contractor proposals, except when incorporated into the contract between the agency and the
  - Other:
- Exemption 4: The withheld information is a trade secret or confidential commercial or financial information that is being withheld for the reason(s) indicated.
  - The information is considered to be proprietary because it concerns a licensee's or applicant's physical protection or material control and accounting program for special nuclear material pursuant to 10 CFR 2.390(d)(1).
  - The information is considered to be another type of confidential business (proprietary) information.
  - The information was submitted by a foreign source and received in confidence pursuant to 10 CFR 2.390(d)(2).
- Exemption 5: The withheld information consists of interagency or intraagency records that are normally privileged in civil litigation.
  - Deliberative process privilege.
  - Attorney work product privilege.
  - Attorney-client privilege.
- Exemption 6: The withheld information from a personnel, medical, or similar file, is exempted from public disclosure because its disclosure would result in a clearly unwarranted invasion of personal privacy.
- Exemption 7: The withheld information consists of records compiled for law enforcement purposes and is being withheld for the reason(s) indicated.
  - (A) Disclosure could reasonably be expected to interfere with an open enforcement proceeding.
  - (C) Disclosure could reasonably be expected to constitute an unwarranted invasion of personal privacy.
  - (D) The information consists of names and other information the disclosure of which could reasonably be expected to reveal identities of confidential sources.
  - (E) Disclosure would reveal techniques and procedures for law enforcement investigations or prosecutions, or guidelines that could reasonably be expected to risk circumvention of the law.
  - (F) Disclosure could reasonably be expected to endanger the life or physical safety of any individual.
- Other:

### PART II.B -- DENYING OFFICIALS

In accordance with 10 CFR 9.25(g) and 9.25(h) of the U.S. Nuclear Regulatory Commission regulations, the official(s) listed below have made the determination to withhold certain information responsive to your request.

DENYING OFFICIAL	TITLE/OFFICE	RECORDS DENIED	APPELLATE OFFICIAL	
			EDO	SECY
Stephanie A. Blaney	FOIA Officer	personal email address, conference call passcode, and proprietary information	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Select Title/Office from drop-down list		<input type="checkbox"/>	<input type="checkbox"/>
	Select Title/Office from drop-down list		<input type="checkbox"/>	<input type="checkbox"/>
	Select Title/Office from drop-down list		<input type="checkbox"/>	<input type="checkbox"/>

## NRC Review Question Response Form

**Note 1:** Complete a separate form for each inspector question.

**Note 2:** The item tracking number will be generated when the record is entered into the inspection database.

Question Title: Clarification of ASME Section 3 in Licensing Basis

Tracking Number: 11A AR Number: 0319-53473-3 Date Initiated: 03/21/2019

Holtec Support Required: Yes\_\_ or No \_\_\_

Question description:

Appendix B Technical Specification 3.3 requires, that the AMSE BPVC, 2007, is the governing Code for the MPC. Additionally, Appendix B Table 3-1 tie the canister and FSAR to the requirements of ASME Section III in many areas.

The original FSAR statement for no scratches mirrored the CoC/TS design basis that no scratches would ensure the code adherence to ASME Section III.

Now under 72.48, a design change is needed to deviate to allow scratches. But instead of using ASME BPVC code criteria to inspect the canister and properly disposition the defects which would maintain conformance to the code, the calculation utilizes Archard's wear equation to bound the condition. I just don't see how that meets CoC.

Now I understand, how SCE has argued, it is not a methodology. I think it is more of CoC and Appendix B change, myself. Essentially, the change is adding an alternative to the code to not have to do inspections and repair these new defects. Alternatives to the code can only be done via license amendment. Or maybe per TS Appendix B 3.3.2.

NB-4131 "Material originally accepted on delivery in which defects exceeding limits of NB-2500 are known or discovered during the process of fabrication or installation is unacceptable. The material may be used provided the condition is corrected in accordance with the requirements of NB-2500

ASME Section III NB-2538, "Elimination of Surface Defects" requires that defects are required to be examined by either magnetic particle or liquid penetrant method to ensure that the defect has been removed or reduced to an imperfection of acceptable size."

Instead of doing that (which I understand is impossible) which would maintain code compliance, the 72.48 deviates using a calculational method to bound the defect. The only "method" that should be used to disposition these defects is some method allowed or described in the BPVC code or the licensee would need an alternative to the code to maintain compliance with the regulatory licensing basis.

## NRC Review Question Response Form

Requested Clarification (If needed): None

SONGS / Holtec Response:

NOTE: For clarity, the NRC question (comment) is separated by paragraph and a response to each is provided.

### NRC Comment 1

Appendix B Technical Specification 3.3 requires, that the AMSE BPVC, 2007, is the governing Code for the MPC. Additionally, Appendix B Table 3-1 tie the canister and FSAR to the requirements of ASME Section III in many areas.

### Response to Comment 1

It is agreed that the ASME BPVC, 2007 is the governing code for the MPC and that Technical Specification Appendix B Table 3-1 ties the canister and FSAR to the requirements of Section III in many areas. However, other sections of the code apply as well and the relationship is described below.

Section III is the design code portion of the ASME B&PV Code. It assumes that the other parts of the Code are also involved as appropriate. ASME Code materials are selected in accordance with Section II. NDE is generally performed in accordance with Section V. Welding is performed in accordance with Section IX. Preservice examinations required by the component specifications to be done by the manufacturer are often performed in accordance with Section XI. The primary jurisdiction of the Section III design code ends when the MPC component is complete and leaves the manufacturer. The ASME Code Section XI then has jurisdiction, as selected by Holtec, after the MPC leaves the manufacturer (this is consistent with the ASME BPVC, 2007, as referenced in the FSAR).

If a scratch during installation occurs, it can, under Section XI jurisdiction, either be dispositioned as a scratch (i.e., since it not a planar flaw) by reverting back to the Construction Code, which would be Section III, or if desired be dispositioned by Section XI, Table IWB-3514-1, as if it were a planar flaw (which is more conservative than Section III). The information supplied by SCE and Holtec to date is not intended to disposition any indication; but, provide assurance that any actual indications will remain well with ASME Code Allowables.

### NRC Comment 2

The original FSAR statement for no scratches mirrored the CoC/TS design basis that no scratches would ensure the code adherence to ASME Section III.

### Response to Comment 2

There is no indication in the CoC, its Appendices (Technical Specifications or Approved Contents and Design Features), or NRC SER that the statement in Chapter 9 of the FSAR related to no risk of scratching was considered in the NRC's evaluation of the ASME Code compliance of the MPC.

## NRC Review Question Response Form

There is no violation of ASME Section III requirements, nor any cause for repair activities, stemming from minor scratches or wear marks that result from incidental contact between the MPC and the CEC internal features during download operations at site.

*HI-STORM UMAX FSAR Rev. 4: 9.5.vii states*

*Because the MPC insertion (and withdrawal) occurs in the vertical configuration with ample lateral clearances, there is no risk of scratching or gouging of the MPC's external surface (Confinement Boundary). Thus the ASME Section III Class 1 prohibition against damage to the pressure retaining boundary is maintained.*

The Section III requirements for pressure containing plate materials is that surface defects will be removed (NB-2538). In NCA-9000, *defective material* is defined as material that does not meet specified requirements. Similarly a defect is defined in general as a rejectable flaw and a flaw is defined as an imperfection or unintentional discontinuity that is detectable by visual, surface or volumetric methods (Section XI Glossary, IWA-9000 (1992)).

A scratch, if it occurred during installation, would not be a rejectable flaw due to potential effects on peak stresses as explained in HI-2188437. This is because localized scratches or wear marks are only capable of producing peak stresses, which are only objectionable from a fatigue or brittle fracture standpoint. The HI-STORM UMAX and FW FSARs (Table 3.1.10 of both address fatigue and HI-STORM FW FSAR Section 3.4.5 for brittle fracture) explain why neither fatigue nor brittle fracture such conditions do not present any risk to a the MPC.

A scratch would not be rejectable due to interference with material testing in NB-2000 since all of these tests would be completed prior to canister delivery.

Therefore, the only remaining cause (without further analysis) of rejection of a scratch located on the exterior of the canister wall generated during installation would be a condition where the amount of localized wall thinning was below an allowable wall thickness based on Section III. This means that the 0.625 inch nominal wall for a SONGS canister could be reduced without further analysis by 0.175 inches to 0.450 inches, which is allowable based on the licensed 0.500 inch baseline UMAX MPC as discussed in HI-2188437.

A scratch that might be formed during incidental contact of an MPC wall with the divider shell inside the cavity enclosure container during downloading would not result in a rejectable flaw condition, considering the large allowable margin for such localized thinning. This is based on engineering judgment and operational experience. Knowledge of basic wear principles with two soft materials having incidental contact under light lateral loads and many years of operating experience with acceptable canister loading of horizontal canisters inform this judgment. Scratches of a light nature, though somewhat likely, present no risk since the impact is negligible.

## NRC Review Question Response Form

### NRC Comment 3

Now under 72.48, a design change is needed to deviate to allow scratches. But instead of using ASME BPVC code criteria to inspect the canister and properly disposition the defects which would maintain conformance to the code, the calculation utilizes Archard's wear equation to bound the condition. I just don't see how that meets CoC.

### Response to Comment 3

ECO-5021-042 is not a design change. It is a proposed change to clarify the HI-STORM UMAX FSAR. The ECO and supporting 72.48 are explicit in this regard. They further note that they are evaluated as if they were a design change to assure a more comprehensive documented review.

A change is not required to allow scratches since the FSAR statement that there is no risk of damage to the ASME Section III Class 1 pressure retaining boundary that might result from scratching remains valid.

It is not necessary to conclude that the intent of the FSAR was to state that no scratches would occur since incidental contact could occur. More likely the intent was to note that, compared to other designs with much higher contact loads and no clearance, there was negligible risk that shallow scratches in the vertical designs would be rejectable. When SCE and Holtec were asked (after the August 3, 2018 event) to justify this engineering judgment, accepted engineering practices were used for the estimation of scratches as well as laboratory tests and canister inspections. This was not a required calculation for design purposes, but the use of standard engineering explanations, all of which substantiated the initial judgment.

### NRC Comment 4

Now I understand, how SCE has argued, it is not a methodology. I think it is more of CoC and Appendix B change, myself. Essentially, the change is adding an alternative to the code to not have to do inspections and repair these new defects. Alternatives to the code can only be done via license amendment. Or maybe per TS Appendix B 3.3.2.

### Response to Comment 4

It is not correct to call these slight scratches "defects". By the definition of the ASME code, a defect is a flaw that is rejectable. None of these scratches approach criteria that require removal or repair. That judgment has been substantiated by accepted wear laws, first principles, laboratory tests, operating experience, and examination of installed loaded canisters that this judgment was and still is valid.

As noted in the Response to Comment 4, questions regarding the judgment arose from various stakeholders following the hang-up of the MPC on August 3, 2018. It was apparently presumed that the lateral loads during passage of the MPC into the cavity enclosure container must be higher than previously considered. After assessing the actual loads and their effect on the surfaces of the canister, the original judgment was validated.

## NRC Review Question Response Form

### NRC Comment 5

NB-4131 "Material originally accepted on delivery in which defects exceeding limits of NB-2500 are known or discovered during the process of fabrication or installation is unacceptable. The material may be used provided the condition is corrected in accordance with the requirements of NB-2500.

### Response to Comment 5

SCE and Holtec agree with this ASME Code requirement. It is appropriately implemented by the fabricator as an attribute of the manufacturing process and its controls. Appropriate documentation is provided to Holtec and SCE certifying compliance with FSAR invoked requirements of the ASME Code.

As previously noted, no defects (i.e., rejectable flaws) were discovered or are anticipated during the process of installation. Therefore no corrections are required per NB-2500.

### NRC Comment 6

ASME Section III NB-2538, "Elimination of Surface Defects" requires that defects are required to be examined by either magnetic particle or liquid penetrant method to ensure that the defect has been removed or reduced to an imperfection of acceptable size."

### Response to Comment 6

No defects (rejectable flaws) have been identified that have resulted from scratches or are expected to result from scratches due to incidental contact during down-loading. The bounding scratches estimated in response to the various inquiries are theoretical projections not identified flaws.

This is consistent with the judgment in the FSAR, and validated by the means explained above. The requirement of NB-2538 might have removed a scratch during construction if it interfered with the ability to complete the surface or volumetric material examinations of the pressure boundary material.

Once this had been completed and the canister delivered, a similar surface defect occurring during installation would not need to be removed because these material examinations had already been completed.

## NRC Review Question Response Form

### NRC Comment 7

Instead of doing that (which I understand is impossible) which would maintain code compliance, the 72.48 deviates using a calculational method to bound the defect. The only "method" that should be used to disposition these defects is some method allowed or described in the BPVC code or the licensee would need an alternative to the code to maintain compliance with the regulatory licensing basis.

### Response to Comment 7

As previously noted no "defects" due to incidental contact are anticipated. The calculational methods are tools to estimate potential scratch depth and are in no way a means to disposition any defect; real or projected.

Neither the identification nor removal of shallow scratches, wear or rub marks due to installation is required to maintain compliance with ASME Section III or the ASME B&PV Code generally.

Assigned Response Team Member: David Rackiewicz

Assigned Independent / Peer Review Team Member: Bob Yale/Ken Wilson

NRC Inspector: Lee Brookhart

Response provided date / time: 3/23/19



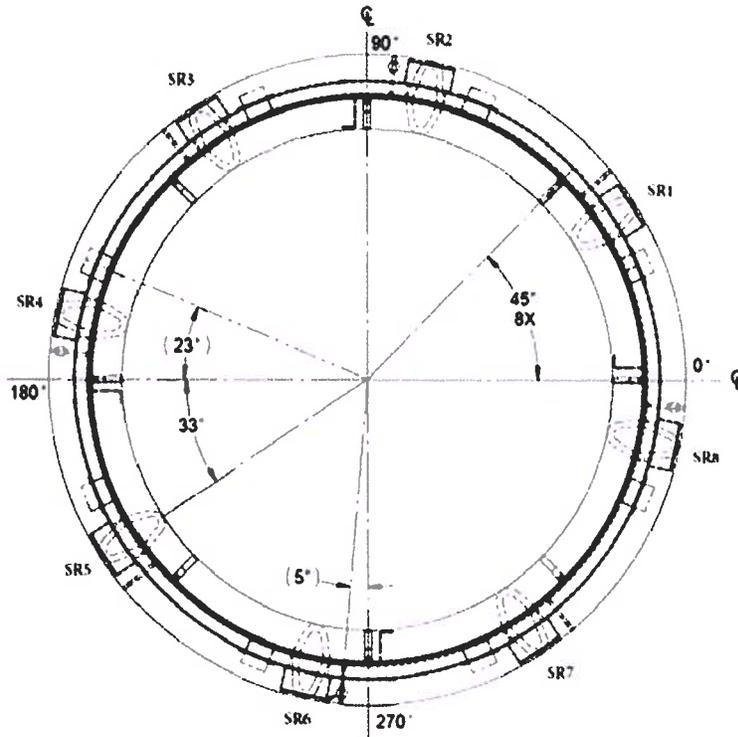
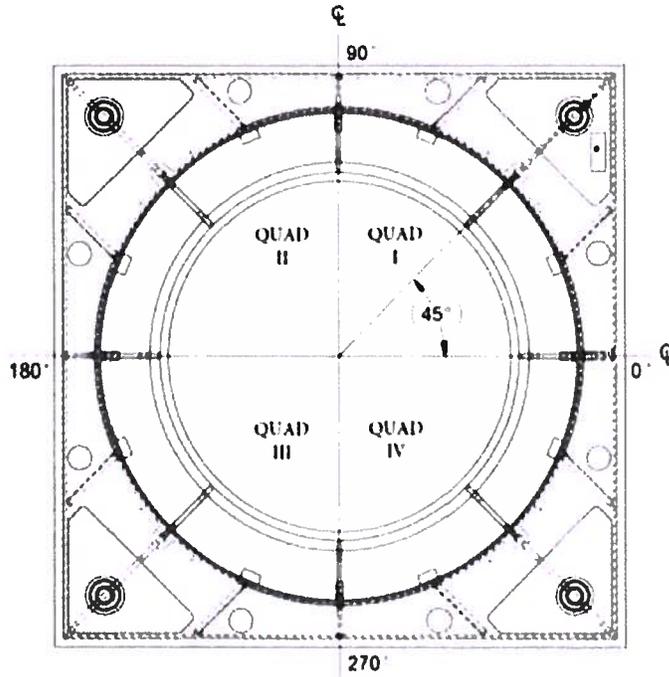
**SOUTHERN CALIFORNIA EDISON**  
*An EDISON INTERNATIONAL Company*

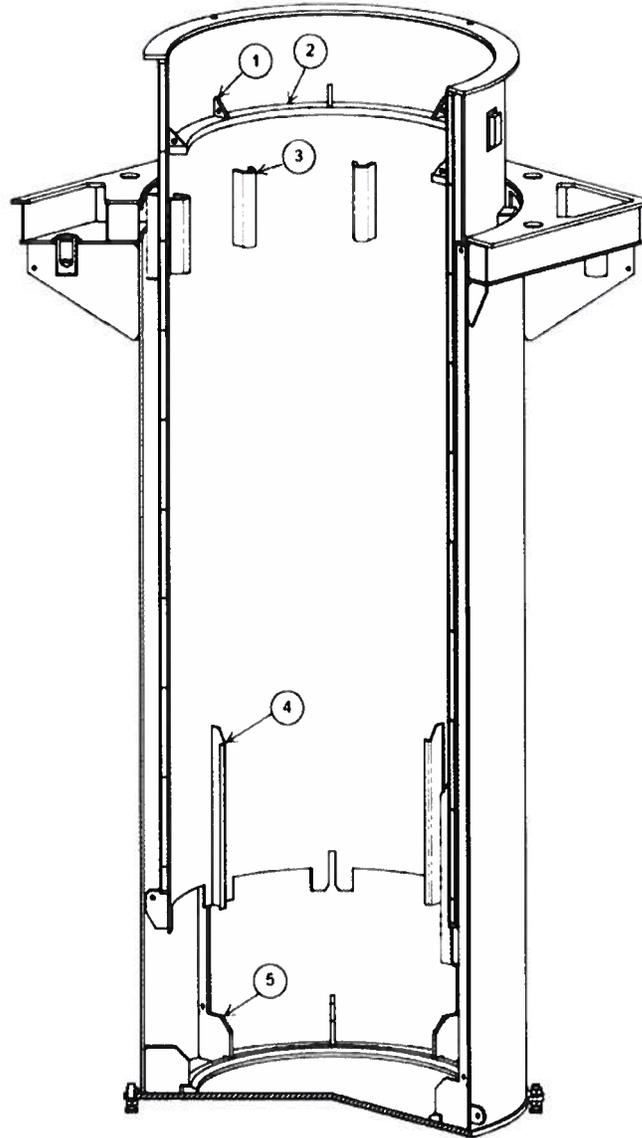
**SAN ONOFRE NUCLEAR GENERATING STATION  
HI-STORM MPC VISUAL ASSESSMENT REPORT  
March 29, 2019**

**Appendix A**

**Cavity Enclosure Container and Divider Shell Reference Information**

SONGS HI-STORM MPC Visual Assessment Report





List of Potential Contact Points

- 1 Divider Shell Shield Ring Guide
- 2 Divider Shell Shield Ring
- 3 MPC Inner Seismic Restraint (also referred to as upper seismic restraint)
- 4 Divider Shell MPC Guide Cover
- 5 Lower MPC Guide / CEC Baffle (also referred to as lower seismic restraint)

**Appendix B**

**GE Inspection Technologies General Location Photographs and Characterization**

**MPC S/N 064**



The figures above correspond to the carbon steel conamination in the shield ring induced wear mark between MPC Inner Seismic Restraints 5 and 6 as documented in Table 1 in the body of the report.



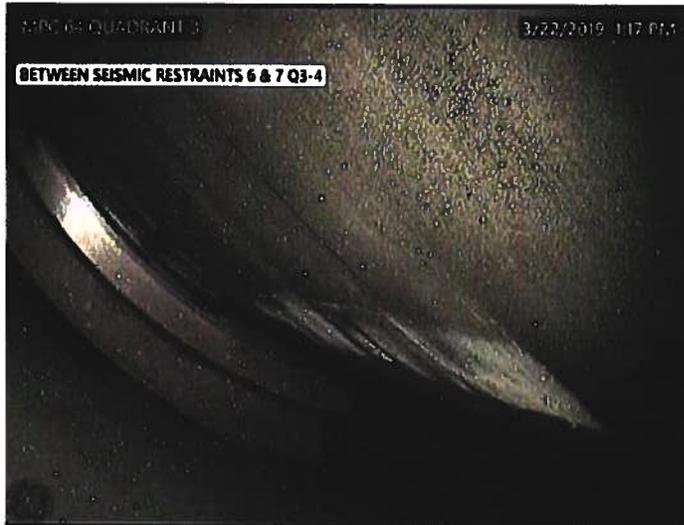
The figures above correspond to the shield ring induced wear marks identified between MPC Inner Seismic Restraints 5 and 6 as documented in Table 1 in the body of the report.



*Wear mark is located within the MPC circumferential weld.*



The figures above correspond to the shield ring induced wear marks identified between MPC Inner Seismic Restraints 5 and 6 as documented in Table 1 in the body of the report.



The figures above correspond to the shield ring induced wear marks identified between MPC Inner Seismic Restraints 6 and 7 as documented in Table 1 in the body of the report.



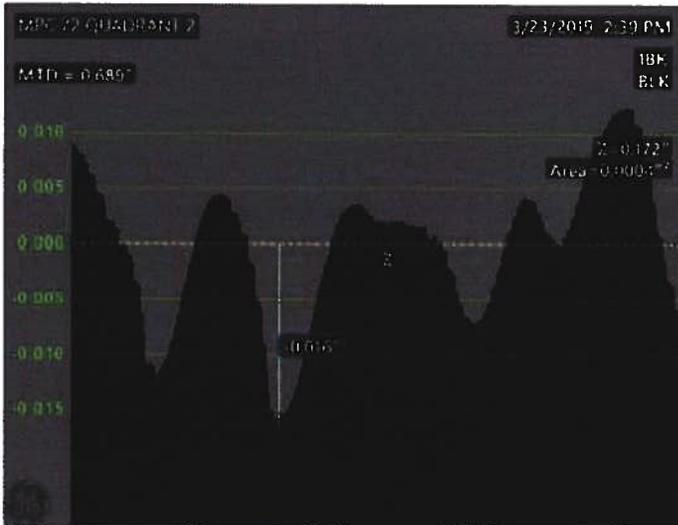
The figures above correspond to the shield ring induced wear marks identified between MPC Inner Seismic Restraints 7 and 8 as documented in Table 1 in the body of the report.

**MPC S/N 072**

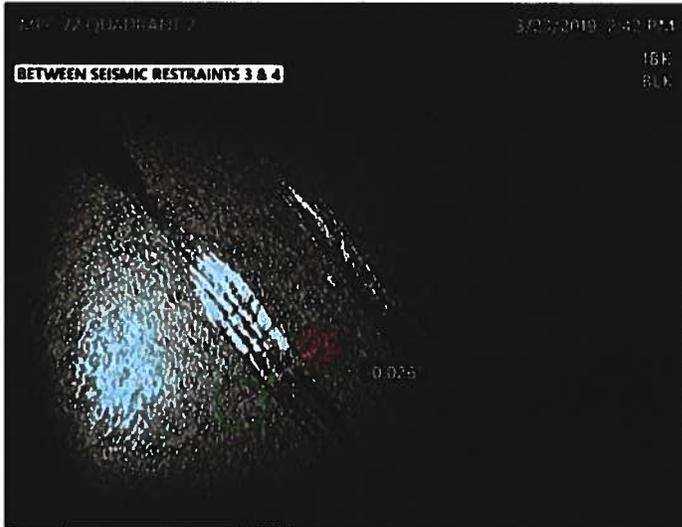


*Carbon Steel Contamination within the HAZ of the MPC circumferential weld*

The figure above corresponds to the shield ring induced carbon steel contamination identified between MPC Inner Seismic Restraints 1 and 2 as documented in Table 1 in the body of the report. There was no measurable depth for this location.



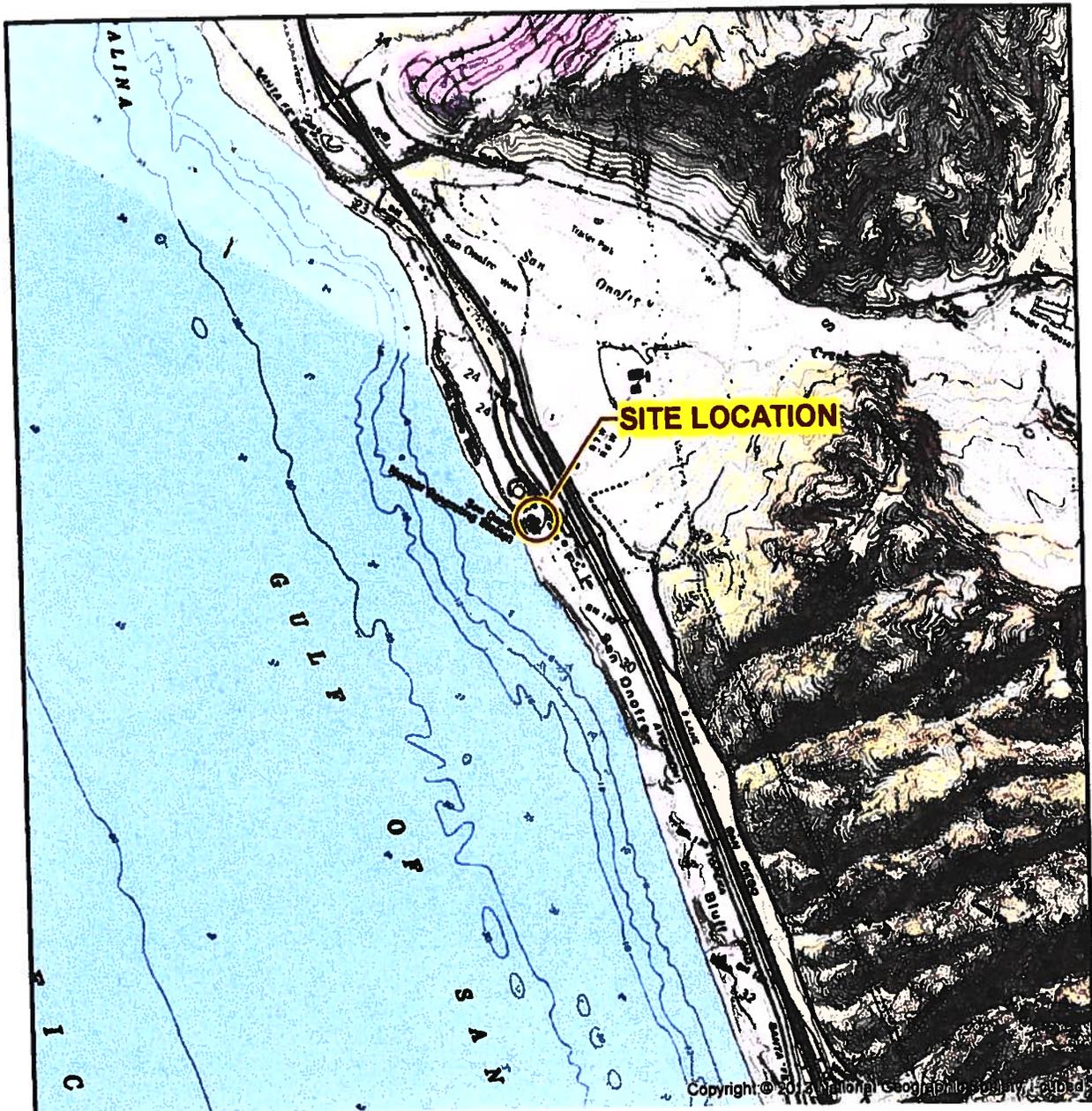
The figures above correspond to the greater than 120 inch long SR induced wear mark identified below MPC Inner Seismic Restraint 4 as documented in Table 1 in the body of the report.



*The red bar represents background noise in the characterization*

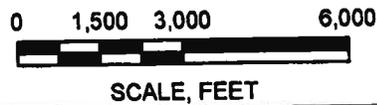
The figures above correspond to the 12 to 24 inch long SR induced wear mark identified below MPC Inner Seismic Restraint 4 as documented in Table 1 in the body of the report.

# EXHIBIT 11



**NOTES:**

1. Image from National Park Service (NPS) Natural Earth physical maps, i-cubed eTOPO maps, and National Geographic TOPO! maps.
2. Datum is National Geodetic Vertical Datum.



<p>San Onofre Nuclear Generating Station ISFSI San Clemente, California</p>	 <p>GEI Consultants</p>	<p>SITE LOCATION MAP</p>
<p>HOLTEC International Marlton, New Jersey</p>	<p>Project 141381-2</p>	<p>April 2015 <span style="float: right;">Fig. 1</span></p>

# EXHIBIT 12



## San Onofre Nuclear Generating Station Monthly Spent Fuel Progress Report #9 August 31, 2018

**Reporting Period:** Through August 20, 2018

SCE provides this monthly progress report on the storage of SONGS Units 2 and 3 spent fuel<sup>1</sup> in accordance with the August 2017 Settlement Agreement resolving the case *Citizens Oversight, Inc. v. California Coastal Commission*, San Diego Superior Court Case No. 37-2015-00037137.

### Unit 2

Number of Fuel Assemblies in Spent Fuel Pool:	<u>726</u> Fuel Assemblies
Number of Fuel Assemblies in Process <sup>2</sup> :	<u>0</u> Fuel Assemblies
Number of Holtec MPC-37 Canisters in Process:	<u>0</u> Canisters
Number of Fuel Assemblies on ISFSI Pad <sup>3</sup> :	<u>592</u> Fuel Assemblies
Number of Holtec MPC-37 Canisters on ISFSI Pad:	<u>16</u> Canisters

### Unit 3

Number of Fuel Assemblies in Spent Fuel Pool:	<u>832</u> Fuel Assemblies
Number of Fuel Assemblies in Process:	<u>37</u> Fuel Assemblies
Number of Holtec MPC-37 Canisters in Process:	<u>1</u> Canisters
Number of Fuel Assemblies on ISFSI Pad:	<u>481</u> Fuel Assemblies
Number of Holtec MPC-37 Canisters on ISFSI Pad:	<u>13</u> Canisters

#### NOTE:

SCE stopped all canister loading activities and directed its contractor, Holtec, to take corrective actions including additional training after Holtec experienced an issue while lowering a canister into the ISFSI on August 3, 2018. Spent fuel loading work will not restart until SCE is satisfied that Holtec has taken appropriate corrective actions and the NRC has had an opportunity to complete its on-site inspection activities. The Unit 3 canister identified as "in process" above will remain in the SONGS Fuel Handling Building until work restarts.

<sup>1</sup> This report accounts for the 2668 spent fuel assemblies that were in "wet" storage (i.e., spent fuel pools) at the time of the August 2017 settlement. It does not report on the 1187 fuel assemblies in 50 canisters (Areva NUHOMS 24PT1 and Areva NUHOMS 24PT4) that were already in dry storage at SONGS at the time of the August 2017 settlement.

<sup>2</sup> "In Process" refers to Holtec MPC-37 Dry Storage Canisters (DSC) that have begun but not yet completed fuel transfer operations. These DSCs are either waiting to be moved to the expanded Independent Spent Fuel Storage Installation (ISFSI) or are in transit to the expanded ISFSI.

<sup>3</sup> "On ISFSI Pad" refers DSCs that have been placed into the expanded ISFSI's Holtec HI-STORM UMAX system for interim on-site storage (i.e., all fuel transfer operations are complete).



# San Onofre Nuclear Generating Station Monthly Spent Fuel Progress Report #22

October 1, 2019

**Reporting Period:** Through September 20, 2019

SCE provides this monthly progress report on the storage of SONGS Units 2 and 3 spent fuel<sup>1</sup> in accordance with the August 2017 Settlement Agreement resolving the case *Citizens Oversight, Inc. v. California Coastal Commission*, San Diego Superior Court Case No. 37-2015-00037137.

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## Unit 2

Number of Fuel Assemblies in Spent Fuel Pool:	<u>652</u> Fuel Assemblies
Number of Fuel Assemblies in Process <sup>2</sup> :	<u>0</u> Fuel Assemblies
Number of Holtec MPC-37 Canisters in Process:	<u>0</u> Canisters
Number of Fuel Assemblies on ISFSI Pad <sup>3</sup> :	<u>666</u> Fuel Assemblies
Number of Holtec MPC-37 Canisters on ISFSI Pad:	<u>18</u> Canisters

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## Unit 3

Number of Fuel Assemblies in Spent Fuel Pool:	<u>758</u> Fuel Assemblies
Number of Fuel Assemblies in Process:	<u>37</u> Fuel Assemblies
Number of Holtec MPC-37 Canisters in Process:	<u>1</u> Canisters
Number of Fuel Assemblies on ISFSI Pad:	<u>555</u> Fuel Assemblies
Number of Holtec MPC-37 Canisters on ISFSI Pad:	<u>15</u> Canisters

## NOTES:

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<sup>1</sup> This report accounts for the 2668 spent fuel assemblies that were in "wet" storage (i.e., spent fuel pools) at the time of the August 2017 settlement. It does not report on the 1187 fuel assemblies in 50 canisters (Areva NUHOMS 24PT1 and Areva NUHOMS 24PT4) that were already in dry storage at SONGS at the time of the August 2017 settlement.

<sup>2</sup> "In Process" refers to Holtec MPC-37 Dry Storage Canisters (DSC) that have begun but not yet completed fuel transfer operations. These DSCs are either waiting to be moved to the expanded Independent Spent Fuel Storage Installation (ISFSI) or are in transit to the expanded ISFSI.

<sup>3</sup> "On ISFSI Pad" refers DSCs that have been placed into the expanded ISFSI's Holtec HI-STORM UMAX system for interim on-site storage (i.e., all fuel transfer operations are complete).

# Settlement Agreement Implementation

# Status Report

October 1, 2019



Submitted in accordance with the August 2017 Settlement Agreement resolving the case *Citizens Oversight, Inc. v. California Coastal Commission*, San Diego Superior Court Case No. 37-2015-00037137-CU-WM-CTL

## SCE's Settlement Agreement Implementation Status Report #12 – October 1, 2019

### I. Introduction

On August 25, 2017, Citizens Oversight, Inc. and Patricia Borchmann (together, "Plaintiffs") and Southern California Edison ("SCE") entered into the Settlement Agreement Regarding Coastal Development Permit for Storage of San Onofre Spent Nuclear Fuel ("Settlement Agreement") to resolve Plaintiffs' lawsuit regarding a 2015 coastal development permit authorizing the construction of an Independent Spent Fuel Storage Installation ("ISFSI") at the San Onofre Nuclear Generating Station ("SONGS"). The San Diego Superior Court entered its Order dismissing the case on August 28, 2017 (the "Effective Date").

As set forth in the Settlement Agreement, pending development of a permanent U.S. Department of Energy repository for the Spent Fuel, SCE will use Commercially Reasonable efforts to relocate the Spent Fuel to an Offsite Storage Facility. To keep the Plaintiffs and other stakeholders apprised of SCE's progress in fulfilling certain settlement commitments, the Settlement Agreement requires SCE to generate this report at prescribed intervals until the commitments are satisfied. Section II.B.6 of the Settlement Agreement states that

On or before the expiration of ninety (90) calendar days after the Effective Date of this Agreement and monthly thereafter, SCE shall provide Plaintiffs with a report regarding its progress in fulfilling the commitments under Sections II.B.2-5 of the Agreement. Beginning with the sixth monthly progress report and continuing quarterly thereafter until SCE's completion of its commitments under Sections II.B.2-5 of this Agreement, SCE shall provide the Plaintiffs with a report regarding its progress in fulfilling each of the commitments under Sections II.B.2-5 of the Agreement.

Based on this requirement, the settlement implementation status reports have been or will be issued on or about the following dates, or before then, if the date occurs on a weekend or holiday:

Update	Status Report Due	Date Issued
1.	November 26, 2017	November 22, 2017
2.	December 26, 2017	December 22, 2017
3.	January 26, 2018	January 26, 2018
4.	February 26, 2018	February 26, 2018
5.	March 26, 2018	March 26, 2018
6.	April 26, 2018	April 26, 2018
7.	July 1, 2018	June 29, 2018
8.	October 1, 2018	October 1, 2018
9.	January 1, 2019	December 31, 2018
10.	April 1, 2019	April 1, 2019
11.	July 1, 2019	July 1, 2019
12.	October 1, 2019	<i>October 1, 2019</i>
13.	January 1, 2020	
Calendar shown through Q4 2019. Additional quarterly reports may be necessary.		

SCE issued its most recent settlement implementation status report on July 1, 2019. Updates to that report are shown in italics below.

## **II. Current Progress on Meeting Settlement Agreement Commitments**

SCE's progress to date regarding its commitments made in Settlement Agreement Sections II.B.2-5 is described below.

### **a. Section II.B.2 - Develop Transportation and Strategic Plans for Relocating SONGS Spent Fuel to an Offsite Storage Facility**

#### **Requirement**

Section II.B.2 of the Settlement Agreement states:

To assess the feasibility of relocating SONGS Spent Fuel to an Offsite Storage Facility, SCE shall: (1) develop a conceptual plan for the transportation of the SONGS Spent Fuel to an Offsite Storage Facility assumed to be located in the southwestern region of the United States ("Transportation Plan"), and (2) develop a strategic plan for supporting the development of a Commercially Reasonable Offsite Storage Facility ("Strategic Plan") (together, the "Plans"). Within thirty (30) calendar days of the Experts Team's formation, SCE will solicit the input of the Experts Team as to the appropriate scope for the Plans, including potential locations for an Offsite Storage Facility, and a schedule for completion of the Plans.

#### **Progress to date**

##### **i. Retention of Experts Team**

Section II.B.1 of the Settlement Agreement requires SCE to retain a team of expert consultants (the "Experts Team") to advise SCE on issues related to the proposed relocation of SONGS spent nuclear fuel to an Offsite Storage Facility.

SCE circulated its requests for proposal ("RFP") for the Experts Team on or about October 26, 2017 (within sixty (60) days after the Effective Date of the Settlement Agreement, as required by Section II.B.1.a). SCE provided the list of potential Experts Team candidates to receive the RFP to Plaintiffs' attorneys and to David Victor, Chairman of the San Onofre Community Engagement Panel, for their review and comment prior to circulation. SCE received written proposals for over thirty expert candidates, representing each of four expert fields required by Section II.B.1.

On March 8, 2018 (within ninety (90) days after SCE received the expert candidates' written proposals, as required by Section II.B.1.b), SCE retained the consultants who will serve on the Experts Team.

As required by Section II.B.1, the Experts Team includes at least one expert from each of the following fields: (1) nuclear engineering, (2) spent fuel siting and licensing, (3) spent fuel transportation, and (4) radiation detection and monitoring.

SCE retained the following individuals to serve on the Experts Team:

1. Kristopher W. Cummings (Nuclear Engineering), a used fuel storage expert and engineer in Curtiss-Wright Corporation's Nuclear Division;
2. Thomas Isaacs (Spent Fuel Siting and Licensing), a former director of the U.S. Department of Energy's Office of Policy and former advisor to the U.S. President's Blue Ribbon Commission on America's Nuclear Future (Blue Ribbon Commission);
3. Allison Macfarlane (Spent Fuel Siting and Licensing), former Chairman of the United States Nuclear Regulatory Commission (NRC) and former commissioner on the Blue Ribbon Commission;
4. Gary Lanthrum (Spent Fuel Transportation), a former director of the National Transportation Program for Yucca Mountain;
5. Richard C. Moore (Spent Fuel Transportation), a consultant specializing in transportation of radiological materials who works for the Western Interstate Energy Board and preparer of a report for the Blue Ribbon Commission on the relationship between state and federal governments on permitting issues, including transportation; and
6. Dr. Josephine Piccone (Radiation Detection and Monitoring), a former U.S. representative to the International Atomic Energy Agency (IAEA) Radiation Safety Standards Committee and a health physics and radiation control expert with regulatory compliance experience.

On March 15, 2018 (within seven (7) days of the Experts Team's formation, as required by Section II.B.1.b), SCE notified Plaintiffs' attorneys of the names and expertise of the consultants retained to serve on the Experts Team.

#### **ii. Transportation Plan**

Section II.B.2 of the Settlement Agreement requires that:

Within thirty (30) calendar days of the Experts Team's formation, SCE will solicit the input of the Experts Team as to the appropriate scope for the Plans, including potential locations for an Offsite Storage Facility, and a schedule for completion of the [Transportation Plan].

On March 27, 2018 (within thirty (30) calendar days of the Experts Team's formation), SCE held an in-person kickoff meeting of the Experts Team. SCE solicited the Expert Team's input as to the appropriate scope for the Plans, and the Experts Team began its work. *In consultation with the Experts Team, SCE is currently developing the scope of work for the Conceptual Transportation Plan and intends to select a contractor to begin work during the 4<sup>th</sup> quarter of 2019.*

Updates will be provided as progress is made on the Transportation Plan.

#### **iii. Strategic Plan**

Section II.B.2 of the Settlement Agreement requires that:

Within thirty (30) calendar days of the Experts Team's formation, SCE will solicit the input of the Experts Team as to the appropriate scope for the Plans, including potential locations for an Offsite Storage Facility, and a schedule for completion of the [Strategic Plan].

On March 27, 2018 (within thirty (30) calendar days of the Experts Team’s formation), SCE held an in-person kickoff meeting of the Experts Team. SCE solicited the Expert Team’s input as to the appropriate scope for the Plans, and the Experts Team began its work.

On September 28, 2018, SCE circulated its San Onofre Nuclear Generating Station Request for Information in Support of the Development of a Strategic Plan for the Relocation of Spent Nuclear Fuel to an Offsite Storage Facility (“RFI”). The RFI is available on the SONGS Community website here: <https://www.songscommunity.com/used-nuclear-fuel/long-term-storage>.

Through the RFI, SCE sought information regarding how an interested consultant would propose supporting SCE in developing the Strategic Plan for the relocation of spent nuclear fuel from SONGS to an offsite storage facility.

The RFI response period closed on November 16, 2018. SCE received 14 responses to the RFI.

Supported by the Experts Team, SCE reviewed the RFI responses and selected three consultant applicants for interviews. SCE conducted interviews during the month of February 2019.

Based on the RFI responses and interviews, SCE has engaged North Wind, Inc. as the consultant to assist with the development of the Strategic Plan. SCE and North Wind have begun developing the Strategic Plan. *Efforts to date include the development and initial implementation of a Stakeholder Engagement Plan, preliminary identification of potential alternatives for consideration in the Strategic Plan, and discussions regarding the outline and format of the final Strategic Plan.*

Updates will be provided as progress is made on the Strategic Plan.

**b. Section II.B.3 - Request that Palo Verde Store SONGS Spent Fuel**

**Requirement**

Section II.B.3 of the Settlement Agreement states:

Within ninety (90) calendar days after the Effective Date of this Agreement, SCE will formally make a written request to solicit an agreement from the owners of Palo Verde regarding the development of an expanded ISFSI that would store SONGS Spent Fuel at the Palo Verde site. If SCE’s request for such consideration is accepted, SCE will engage in discussions with the owners of Palo Verde to evaluate the feasibility of licensing, constructing, and operating such an expanded facility on Commercially Reasonable terms. SCE shall not be obligated to enter into any binding agreement with the owners of Palo Verde concerning the storage of SONGS Spent Fuel that is not Commercially Reasonable. SCE will provide Plaintiffs’ attorneys information regarding the progress of discussions with Palo Verde.

**Progress to date**

On or about October 10, 2017, SCE submitted a letter formally requesting that the owners of the Palo Verde Nuclear Generating Station (“Palo Verde”) consider a solicitation by SCE for an agreement to expand Palo Verde’s ISFSI to store spent nuclear fuel from SONGS.

The Palo Verde Administrative Committee is responsible for strategy and planning decisions for Palo Verde, and its membership consists of executive representatives appointed by each of the owner companies.

On October 20, 2017, SCE's Chief Nuclear Officer, Tom Palmisano, attended the Palo Verde Administrative Committee meeting and presented SCE's case for relocating SONGS spent nuclear fuel to an expanded ISFSI at Palo Verde.

Under the Palo Verde Participation Agreement, unanimous consent by all owners is required for approving strategy and planning decisions. After Mr. Palmisano's presentation, there was an engaged discussion about the possibility of an expanded ISFSI wherein Mr. Palmisano answered various questions from the meeting participants.

SCE proposed a resolution calling for the approval of further, more detailed discussions between SCE and the other Palo Verde owners to evaluate the feasibility of licensing, constructing, and operating such an expanded facility on commercially reasonable terms. A vote was called. SCE recommended the approval of the resolution and voted to approve the resolution.

The remaining Administrative Committee members voted anonymously on SCE's proposed resolution. The votes were then tallied and SCE's resolution, which required unanimous support for passage under the applicable co-ownership agreement, was not approved.

On November 20, 2017, SCE circulated a copy of the Palo Verde Administrative Committee's decision rejecting SCE's proposal to the attention of Plaintiffs' attorneys.

**c. Section II.B.4 - Develop Inspection and Maintenance Program by October 2020**

**Requirement**

Section II.B.4 of the Settlement Agreement states:

SCE will develop the Inspection and Maintenance Program for the Project ISFSI required as Special Condition 7 under the 2015 CDP by October 6, 2020 rather than the October 6, 2022 date provided for under Special Condition 7.

**Progress to date**

Planning is underway to develop the Inspection and Maintenance Program.

**d. Section II.B.5 - Develop Plan for Damaged or Cracked Canisters**

**Requirement**

Section II.B.5 of the Settlement Agreement states:

SCE will develop a written plan addressing contingencies for damaged or cracked canisters consistent with NRC regulations and requirements by October 6, 2020.

**Progress to date**

Planning is underway to develop the plan addressing contingencies for damaged or cracked canisters.

**e. Section II.B.7 - Provide Plaintiffs with Periodic Progress Reports**

While not one of the commitments listed in Section II.B.2 through II.B.5, here SCE notes its progress on reporting the storage of SONGS spent fuel at the San Onofre site.

**Requirement**

Section II.B.7 of the Settlement Agreement states:

Starting on January 1, 2018 and continuing until all fuel in “wet” storage pools in Units 2 and 3 has been transferred to the Project ISFSI, SCE shall provide Plaintiffs with a monthly progress report on the storage of SONGS Spent Fuel at SONGS. This report will be based on nonconfidential information regarding the number of spent fuel assemblies moved from the spent fuel pools to the Project ISFSI.

**Progress to date**

Although the spent fuel storage progress report is a “stand-alone” report, issued separately from this Settlement Agreement Implementation Status Report, SCE provides an update regarding the issuance of those progress reports here.

Based on the requirements of Section II.B.7, the spent fuel storage progress reports have been or will be issued on or about the following dates, or before then, if the date occurs on a weekend or holiday:

Update	Fuel Report Due	Date Issued
1.	January 1, 2018	December 29, 2017
2.	February 1, 2018	February 1, 2018
3.	March 1, 2018	March 1, 2018
4.	April 1, 2018	March 30, 2018
5.	May 1, 2018	May 1, 2018
6.	June 1, 2018	June 1, 2018
7.	July 1, 2018	June 29, 2018
8.	August 1, 2018	August 1, 2018
9.	September 1, 2018	August 31, 2018
10.	October 1, 2018	October 1, 2018
11.	November 1, 2018	November 1, 2018
12.	December 1, 2018	November 30, 2018
13.	January 1, 2019	December 31, 2018
14.	February 1, 2019	February 1, 2019
15.	March 1, 2019	March 1, 2019
16.	April 1, 2019	April 1, 2019
17.	May 1, 2019	May 1, 2019
18.	June 1, 2019	May 31, 2019
19.	July 1, 2019	July 1, 2019
20.	August 1, 2019	<i>August 1, 2019</i>
21.	September 1, 2019	<i>August 30, 2019</i>
22.	October 1, 2019	<i>October 1, 2019</i>
23.	November 1, 2019	
24.	December 1, 2019	
25.	January 1, 2020	
Calendar shown through Q4 2019. Additional monthly reports may be necessary.		

SCE intends to continue to issue the monthly spent fuel reports on or before the first of each month.

# EXHIBIT 13

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SAN ONOFRE DECOMMISSIONING  
COMMUNITY ENGAGEMENT PANEL MEETING  
STATE OF CALIFORNIA, COUNTY OF ORANGE

TRANSCRIPT OF VIDEOTAPED PROCEEDINGS  
LAGUNA HILLS, CALIFORNIA  
THURSDAY, MARCH 22ND, 2018

Reported by:  
Katherine Magner  
CSR No. 14083  
Job No. 2846039

1 issue to talk about here. This is an emerging technical  
2 issue that has affected some of our canisters and  
3 canisters in some other plants.

4 So our principles of safety, stewardship, and  
5 engagement. I want to be very clear with you about what 18:56:15  
6 this is, how significant it is, what we've done it about.  
7 Okay. So I'm going to walk through this. A couple  
8 slides that are not in the deck.

9 So I'm going to talk about inside the baskets,  
10 what are called shims. These don't hold fuel themselves, 18:56:28  
11 but they're on the periphery. So let me show you a  
12 couple pictures, and I'm going to start with one first  
13 here.

14 In the video, you saw an open basket. This is  
15 the basket we put the fuel in. You may not have seen it, 18:56:41  
16 but, you know, this is basically a rectangular device in  
17 a circular canister. So to complete building that out as  
18 a circle, we have aluminum shims on the periphery that  
19 are installed around the edges of the basket. And the  
20 shims are generally hollow. 18:56:59

21 They serve two purposes. One, they provide  
22 lateral support for the basket. There's no fuel in the  
23 shims, but they provide lateral support. And when the  
24 fuel is in there and the basket heats up several hundred  
25 degrees, they tighten up against the shell. And then 18:57:10

1 it's a flow path for helium that comes out of the top of  
2 the fuel assemblies and goes down through the shims.

3 So let me go back to my -- this is my little  
4 cartoon cutaway of a canister. So this is the sealed  
5 canister, showing you a cutaway where the fuel is. And 18:57:27  
6 basically, there's two ways that heat's removed from the  
7 fuel. One is by convection with the helium. The other  
8 is by just radiative heat transfer from the fuel, through  
9 the basket, to the shell.

10 CHAIRMAN DR. VICTOR: Just to clarify because 18:57:41  
11 the term "radiative heat transfer" has a special meaning  
12 in -- in physics. But it doesn't mean transferring  
13 radiation --

14 MR. PALMISANO: No. No. Heat --

15 CHAIRMAN DR. VICTOR: -- in the sense that 18:57:52  
16 radioactive radiation.

17 MR. PALMISANO: -- being transferred. Yeah.

18 CHAIRMAN DR. VICTOR: It means -- it's like the  
19 outside of a pot when it's boiling feels hot because it's  
20 radiating heat out. 18:57:58

21 MR. PALMISANO: Right. Or if you've got an  
22 electric space heater, you put your hand a little  
23 distance away, you feel the heat radiating out. That's  
24 what I'm talking about. It's a not a radioactive  
25 phenomenon. Thank you. 18:58:08

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1 as part of their receipt inspection. So that when a  
2 broken pin was found in a canister at SONGS, and Holtec  
3 has now surveyed their other customers, and they're  
4 understanding, do they have other problems with these  
5 pins. 18:59:33

6 To give you some numbers, 30 of our canisters  
7 have the older design. 43 have the newer design. Okay.  
8 So when we became aware of this, it's important to know  
9 that we found this out after we loaded the first four  
10 canisters, and they have the newer design. Okay. 18:59:47

11 So I want to characterize this for you. The  
12 first four canisters, when they were inspected from the  
13 top, we saw no broken parts, no broken shims. Everything  
14 was at the right height. All the dimensions told us the  
15 shims were in proper place, the pins were there. Nothing 19:00:02  
16 was observed.

17 And as we loaded fuel in them, and put the lid  
18 on, everything is properly stacked up. So we've got good  
19 anecdotal information that the canisters are acceptable.  
20 And I'll talk about the safety significance in a minute. 19:00:16

21 So once we found this in a canister that Holtec  
22 was inspecting, I put the remainder of those 43 canisters  
23 on hold. So there are 39 left. I put them on hold.  
24 Some on our site, some back in the factory in Pittsburg.  
25 We have 30 canisters of the old design, so we stopped 19:00:34

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1 loading for about a week, did a thorough review of this,  
2 and had a third-party review this. And we concluded that  
3 the older design was acceptable, not subject to this pin  
4 breakage.

5 So we've loaded the fifth canister, which is the 19:00:47  
6 older design. And we will continue to load the canisters  
7 with the older design because it's not susceptible to  
8 this problem. The 39 canisters, we've segregated. They  
9 will be sent back to the factory, and Holtec will replace  
10 this design with the older design. 19:01:02

11 Since the canisters haven't been used, they're  
12 not contaminated. It's fairly simple for them to take  
13 the shims -- the shims are removable. They'll take them  
14 out. They'll put the older design in, which has been  
15 used for a number of years at a number of Utilities, and 19:01:14  
16 no problems have been noted.

17 So -- so that -- that's important. Okay. We  
18 stopped, we took time to understand it. We communicate  
19 with the NRC, so they're well aware of it, both in the  
20 region and headquarters. And we communicated to the 19:01:26  
21 other Utilities who used a similar family of canisters.

22 Now, the four canisters are important. So we  
23 have four canisters loaded with this design where we have  
24 found a broken pin. And Holtec is doing a broader  
25 evaluation and causal analysis. Okay. So we aren't 19:01:42

1 going to use any more of that design.

2 But the important thing is, what's the safety of  
3 the four canisters. So -- and -- you know, that's our  
4 job, to make sure they're safe and to make sure we're  
5 accountable to you, to the NRC, to the public, to the 19:01:55  
6 Panel.

7 The four canisters have been reviewed. Again,  
8 based on our inspections that were done -- and the  
9 inspections, you can't see every pin, but nothing was  
10 noted that was wrong. Nothing was noted broken, laying 19:02:08  
11 in the wrong place. All the dimensions were proper.

12 We're very confident the canisters are fully  
13 capable of performing their safety function in storage.  
14 We have reviewed that. Holtec has reviewed that. I've  
15 had a third-party review that, and we've reviewed that 19:02:22  
16 with the NRC. So we're satisfied the four canisters are  
17 safe to perform all their safety functions in storage.  
18 No limitation.

19 The other thing, these -- these designs are  
20 robust, and there's a lot of margin. Those canisters are 19:02:35  
21 licensed to load -- and I'll give you a technical term --  
22 to put enough fuel in there that you could have 35  
23 kilowatts of heat. We only loaded them to 28. So we've  
24 got a lot of margin -- okay -- in the thermal analysis.

25 So, again, as I look at this, I say okay. I -- 19:02:53

1 them you need to tell me how you're going to remediate  
2 this, and they came back and said we want to go back to  
3 the older design.

4 CHAIRMAN DR. VICTOR: People are going to want  
5 to know about these four canisters. Why not take eight 19:05:32  
6 or ten days and move them back into the pool, and unload  
7 them and reload them? Help us understand. I know, it's  
8 early days.

9 MR. PALMISANO: Sure.

10 CHAIRMAN DR. VICTOR: Help us understand what 19:05:45  
11 the logic process is going to be there.

12 MR. PALMISANO: Yeah. And let me just --  
13 because I faced this issue back in the mid '90s at the  
14 Palisades Nuclear Plant with a loaded canister that had a  
15 potential weld defect and got into this very discussion. 19:05:58

16 [So nobody has unloaded a commercial canister,  
17 either a bolted cask or a welded cask or canister.] Okay.

18 It is possible. What you would do is basically have a  
19 mechanism, either to do it in a fuel pool or do it in a  
20 dry transfer facility. It's possible either way. 19:06:15

21 You would take the canister back in. And the  
22 first thing you would do is reconnect the valves and find  
23 a way to purge the helium and refill its hole with water.  
24 Okay.

25 [The biggest technical issue that we've looked at 19:06:29

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1 in the industry over the many years -- not just related  
2 to SONGS -- is the thermal transient to actually  
3 reintroduce water into a -- let's say a canister with hot  
4 fuel, 200-300 degrees C. ] And the thermal transient that  
5 you put the fuel through. Okay.

19:06:44

6 So once you get it reflooded, cooled down, you  
7 would then put that similar machine on, grind out the  
8 weld, take the lid off. That's just the mechanics.  
9 That's certainly doable.

10 The real challenge as we would understand it  
11 today, and nobody has had to do it yet, is the reflood.  
12 Certainly, technically possible. What I would tell you  
13 is just I was back in Washington with the NRC last week,  
14 if you were just to brainstorm, [this would probably be a  
15 two- to three-year project to develop the techniques,  
16 pile up the techniques. The NRC would want to have  
17 explicit approval on this because of the radiological  
18 hazards.]

19:06:54

19:07:09

19 CHAIRMAN DR. VICTOR: To the workers?

20 MR. PALMISANO: [Well, to the workers, yeah.]

19:07:20

21 So when you think about this, you have a  
22 canister that has intact fuel rods inside of a sealed  
23 canister. This pin problem doesn't affect the canister  
24 itself. Okay. So you've got that condition.

25 You've got to weigh that condition -- if this

19:07:34

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1 pin were to have any effect, which it doesn't in storage  
2 and likely won't in transportation, is it worth the risk  
3 then of damaging the fuel rods in an unloading process?

4 CHAIRMAN DR. VICTOR: So I see Martha and Steve  
5 Swartz have questions on that. 19:07:47

6 MR. PALMISANO: Yeah.

7 CHAIRMAN DR. VICTOR: And I want to make sure  
8 that, even though we're a little over time, I want to  
9 make sure that we have time to at least give a survey of  
10 where we are on the reef. 19:07:53

11 MR. PALMISANO: Yeah. Thank you.

12 MS. MCNICHOLAS: Martha McNicholas of Capistrano  
13 Unified.

14 From what I can see on the design, you've had --  
15 you have one pin break. And it looks like each corner, 19:08:01  
16 looks like it has, maybe, five pins?

17 MR. PALMISANO: No. They either have two or  
18 three.

19 MS. MCNICHOLAS: Okay. On the new design I'm  
20 looking at, there's two -- two tubes, and they each 19:08:12  
21 have --

22 MR. PALMISANO: Yeah. So basically, if you look  
23 at the top of the design, those are two shims next to  
24 each other.

25 MS. MCNICHOLAS: Right. 19:08:24

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# EXHIBIT 14



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

November 29, 2018

EA-18-151

Dr. K. P. SINGH  
President and CEO  
Holtec International  
Krishna P. Singh Technology Campus  
1 Holtec Boulevard  
Camden, NJ 08104

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION INSPECTION REPORT  
07201014/2018-201, HOLTEC INTERNATIONAL

Dear Dr. Singh:

This letter refers to the U.S. Nuclear Regulatory Commission (NRC) announced routine inspection at your Holtec International (Holtec) corporate office in Camden, New Jersey from May 14-18, 2018. The inspection assessed the adequacy of Holtec's activities with regard to the design of spent fuel storage casks with the requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 72, "Licensing Requirements for the Independent Storage of Spent Nuclear Fuel, High-level Radioactive Waste, and Reactor-related Greater Than Class C Waste." The staff examined activities conducted under your NRC approved Quality Assurance (QA) program to determine whether Holtec implemented the requirements associated with the Commission's rules and regulations and with the conditions of applicable certificates of compliance (CoCs). Within these areas, the inspection consisted of an examination of selected procedures and representative records, observations of activities, and interviews with personnel. The inspector discussed the preliminary inspection findings with you at the conclusion of the on-site portion of the inspection, and in subsequent telephonic discussions on July 19, 2018, September 5, 2018, and November 26, 2018.

Based on the information developed during the inspection, two apparent violations were identified and are being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>.

The apparent violations involve: (1) failure to establish adequate design control measures as a part of the selection and review for suitability of application of materials, parts, equipment, and processes that are essential to the functions of the structures, systems, and components which are important to safety, in accordance with 10 CFR 72.146(a), "Design control", and (2) failure to perform a 10 CFR 72.48 evaluation when required. The apparent violations, and associated inspection report, are listed in Enclosures 1 and 2.

During a November 26, 2018, telephonic exit meeting, you and Mr. Earl Love of the NRC, discussed these apparent violations, the significance of the issues, and the need for lasting and effective corrective action.

As discussed with you, the NRC has not made a final determination regarding the apparent violations or that enforcement action will be taken against Holtec International; therefore, a final action is not being issued at this time. In addition, please be advised that the characterization of the apparent violations may change as a result of further NRC review.

Before the NRC makes its enforcement decision, we are providing you an opportunity to either: (1) request to participate in a Pre-decisional Enforcement Conference (PEC), or (2) request to participate in an Alternative Dispute Resolution (ADR) session. These options are discussed in the paragraphs that follow.

If a PEC is held, it will be open for public observation and the NRC will issue a press release to announce the time and date of the conference. If you decide to participate in a PEC or pursue ADR, please contact Ms. Patricia Silva at 301-415-7399 or e-mail ([patricia.silva@nrc.gov](mailto:patricia.silva@nrc.gov)) within 10 days of the date of this letter. A PEC or ADR should be held within 30 days of the date of this letter.

The decision to hold a PEC does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference is being held to obtain information to assist the NRC in making an enforcement decision. This may include information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned. The conference will include an opportunity for you to provide your perspective on these matters and any other information that you believe the NRC should take into consideration in making an enforcement decision. The information should include for each apparent violation: (1) the reason for the apparent violation or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. This information may reference or include previously docketed correspondence. In presenting any corrective actions, you should be aware that the promptness and comprehensiveness of the actions will be considered in assessing any civil penalty for the apparent violation. The guidance in the enclosed (Enclosure 3) excerpt from NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful in assessing adequate corrective actions.

Following the PEC, you will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding the apparent violations is required at this time.

In lieu of a PEC, you may request ADR with the NRC in an attempt to resolve this issue. ADR is a general term encompassing various techniques for resolving conflicts using a neutral third party. The technique that the NRC process employs is mediation. Mediation is a voluntary, informal process in which a trained neutral third party (the "mediator") works with parties to help them reach resolution. The Institute on Conflict Resolution (ICR) at Cornell University has agreed to facilitate the NRC's program as a neutral third party. If the parties agree to use ADR, they select a mutually agreeable neutral mediator from ICR, who has no stake in the outcome and no power to make decisions. Mediation gives parties an opportunity to discuss issues, clear up misunderstandings, be creative, find areas of agreement, and reach a final resolution of the issues. Additional information concerning the NRC's ADR program can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>. You must contact ICR at (877) 733-9415 within ten (10) calendar days of the date of this letter if you are interested in pursuing resolution of this issue through ADR. If you choose to request ADR, the ADR will be closed to

K. Singh

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the public; however, the NRC may issue a meeting notice and/or press release to announce the time and date of this closed mediation. In addition, if the mediation is successful, NRC typically issues a Confirmatory Order to document the agreement. The Confirmatory Order is typically publicly available.

If you do not contact us regarding your participation in either a PEC or ADR within the time specified above and the NRC has not granted an extension of the contact time, we will make an enforcement decision based on available information.

In addition, please be advised that the number and characterization of apparent violations described in the enclosures may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Any information forwarded to NRC should be clearly labeled on the first page with the case reference number: EA-18-151, and should be sent to the NRC's Document Control Center (Ref: 10 CFR 30.6 Communications, <https://www.nrc.gov/reading-rm/doc-collections/cfr/part030/part030-0006.html>), with a copy mailed to, Michael C. Layton, Director, Division of Spent Fuel Management, Office of Nuclear Material Safety and Safeguards, Two White Flint North, 11545 Rockville Pike, Rockville, MD 20852-2738.

Should you have any questions, please contact Ms. Patricia Silva, of my staff at (301) 415-7399 or e-mail ([patricia.silva@nrc.gov](mailto:patricia.silva@nrc.gov))

Sincerely,

/RA/

Michael C. Layton, Director  
Division of Spent Fuel Management  
Office of Nuclear Material Safety  
and Safeguards

Docket No. 72-1014

Enclosures:

1. Apparent Violations Being Considered for Escalated Enforcement
2. Inspection Report 07201014/2018-201
3. NRC Information Notice 96-28

K. Singh

4

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION INSPECTION REPORT  
07201014/2018-201, HOLTEC INTERNATIONAL, DOCUMENT DATE: November 29, 2018

**DISTRIBUTION:**

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**ADAMS Accession Number: ML18306A853**

OFFICE	NMSS/DSFM	NMSS/DSFM	NMSS/DSFM	NMSS/DSFM (prior to OE)	NMSS/EC
NAME	ELove	WWheatley	PSilva	MLayton	MBurgess Via email
DATE	11/01/18	11/02/18	11/01/18	11/07/18	11/08/18
OFFICE	OE	OGC	NMSS/DSFM (final signature)		
NAME	DFurst (acting BC) via email	LBaer via email	MLayton		
DATE	11/16/18	11/16/18	11/29/18		

OFFICIAL RECORD COPY

## APPARENT VIOLATIONS BEING CONSIDERED FOR ESCALATED ENFORCEMENT

### Apparent Violation A:

10 CFR 72.146(a), "Design control," requires, in part, that measures must be established for the selection and review for suitability of application of materials, parts, equipment, and processes that are essential to the functions of the structures, systems, and components which are important to safety.

Contrary to the above, Holtec failed to establish adequate design control measures as a part of the selection and review for suitability of application of materials, parts, equipment, and processes that are essential to the functions of the structures, systems, and components which are important to safety. Specifically, on or after August of 2016, Holtec failed to establish adequate design control measures as a part of the selection and review for suitability of application for alternative four-inch stainless steel standoff pins. The standoff pins are essential to the function of the fuel basket to maintain support and ensure that the shims stay elevated to allow airflow to the fuel assemblies within the multi-purpose canister.

### Apparent Violation B:

10 CFR 72.48(d)(1) requires, in part, that the licensee and certificate holder shall maintain records of changes in the facility or spent fuel storage cask design, of changes in procedures, and tests and experiments made pursuant to paragraph (c) of this section. These records must include a written evaluation which provides the bases for the determination that the change does not require a CoC amendment pursuant to paragraph (c)(2) of this section.

Contrary to the above, as of July 19, 2018, the certificate holder (Holtec) failed to maintain records of changes that included a written evaluation that provided the bases for the determination that the change does not require a CoC amendment pursuant to 10 CFR 72.48(c)(2). Specifically, Holtec failed to perform a written evaluation to demonstrate that a design change for multi-purpose canister stainless steel standoff pins did not require a CoC amendment. Holtec completed a 72.48 screening and incorrectly determined that a written evaluation was not needed.

# EXHIBIT 15



# **San Onofre Special Inspection Webinar**

**November 8, 2018  
NRC Region IV, Arlington, TX**

# Logistics

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- Webinar Format
- Back-up Bridge Line  
(888) 469-1677, Passcode 2471451
- Questions and Answers

## **NRC Staff**

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- **Eric Simpson, Special Inspection Team Leader  
Region IV Fuel Cycle and Decommissioning Branch**
- **Patricia Silva, Branch Chief  
Division of Spent Fuel Management**
- **Troy Pruett, Director  
Region IV Division of Nuclear Materials Safety**

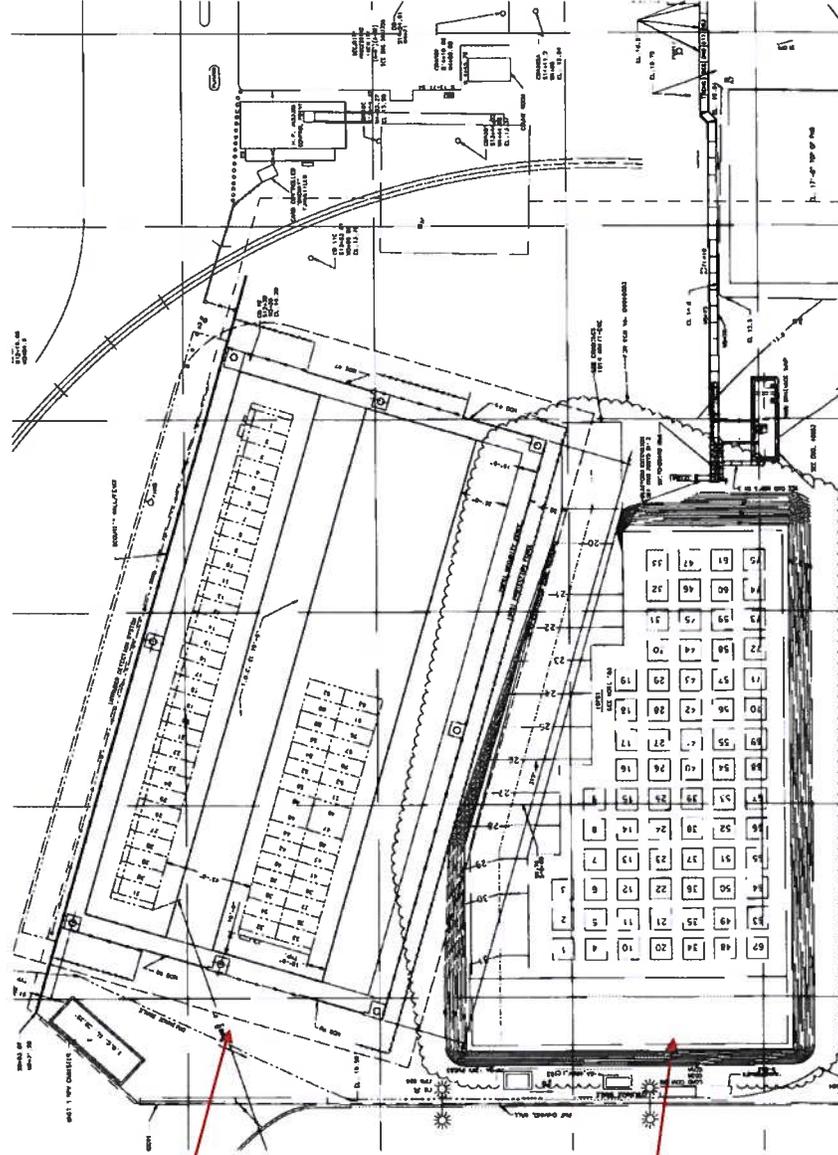
# Webinar Agenda

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- Background
- Canister Downloading Operations
- Inspection Team Findings
- Current Status
- Summary
- Questions & Answers

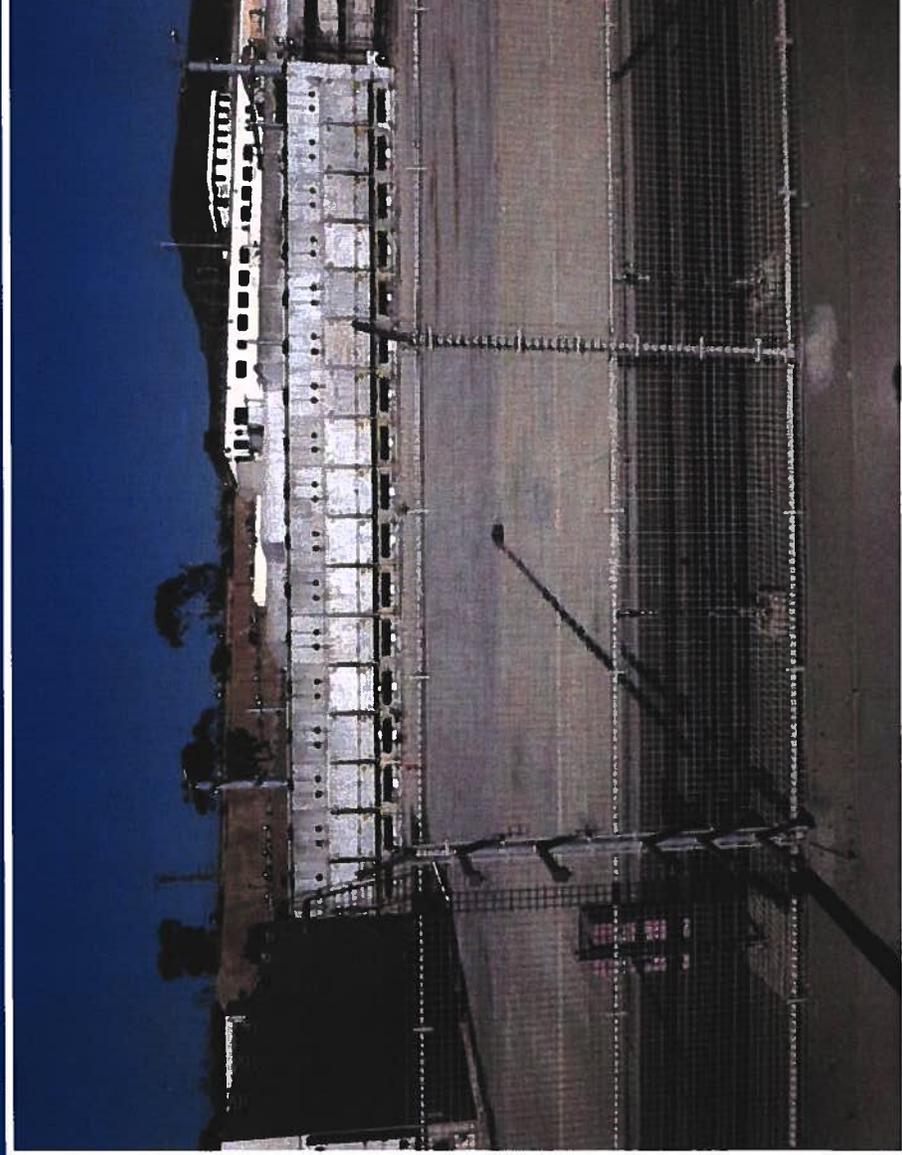
# ISFSI Layout



**TN  
NUHOMS  
Design**

**Holtec  
UMAX  
Design**

# Transnuclear NUHOMS

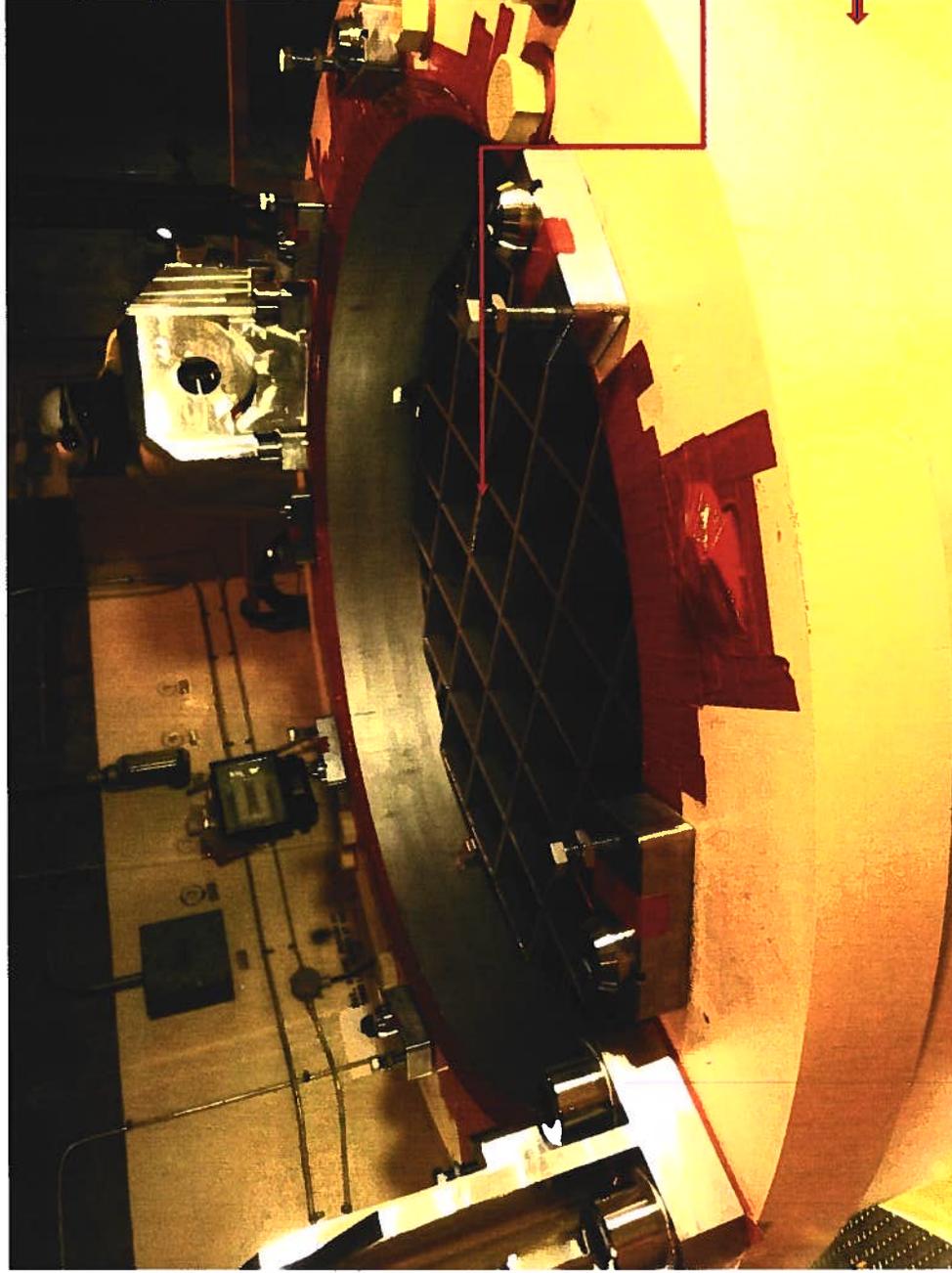


# Holtec UMAX





# Spent Fuel Canister



# Downloading: Shield Cone

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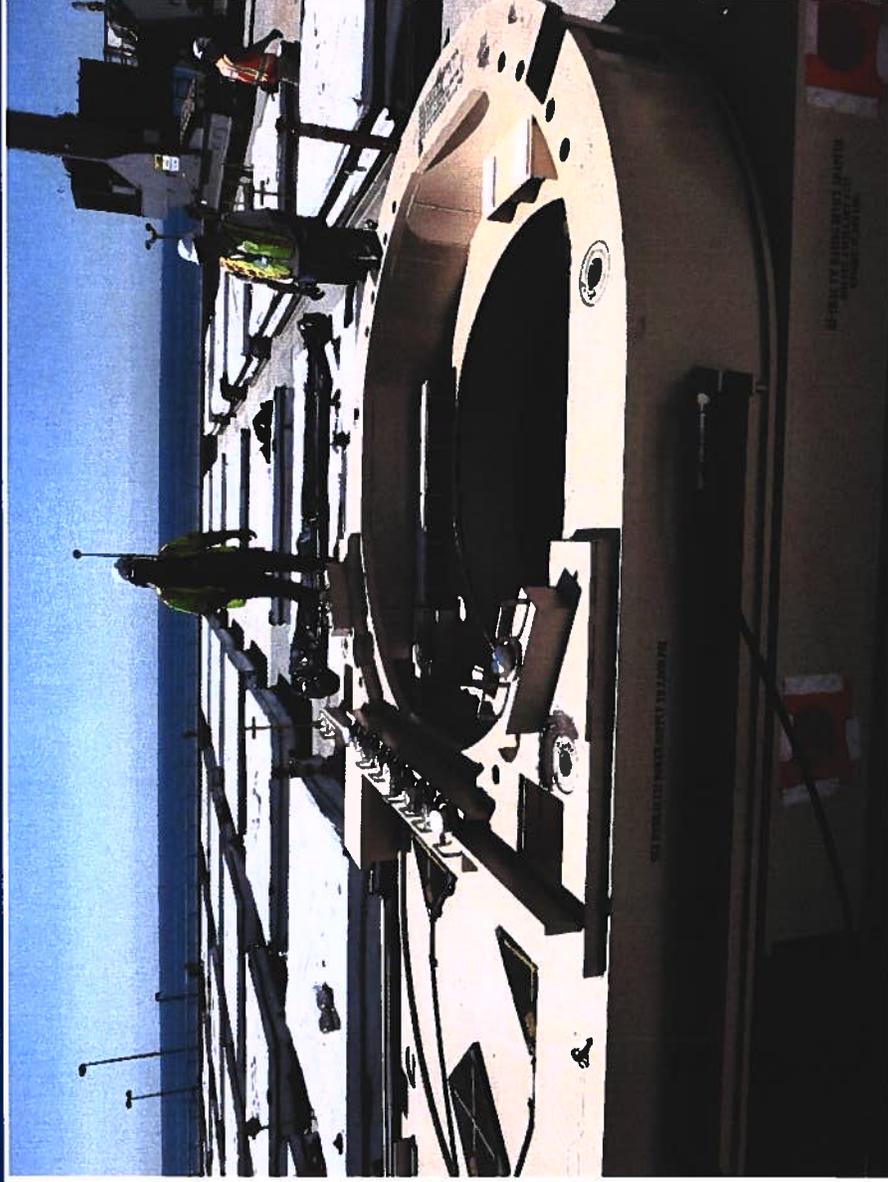
# Downloading: Transporter

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# Downloading: Vault Door

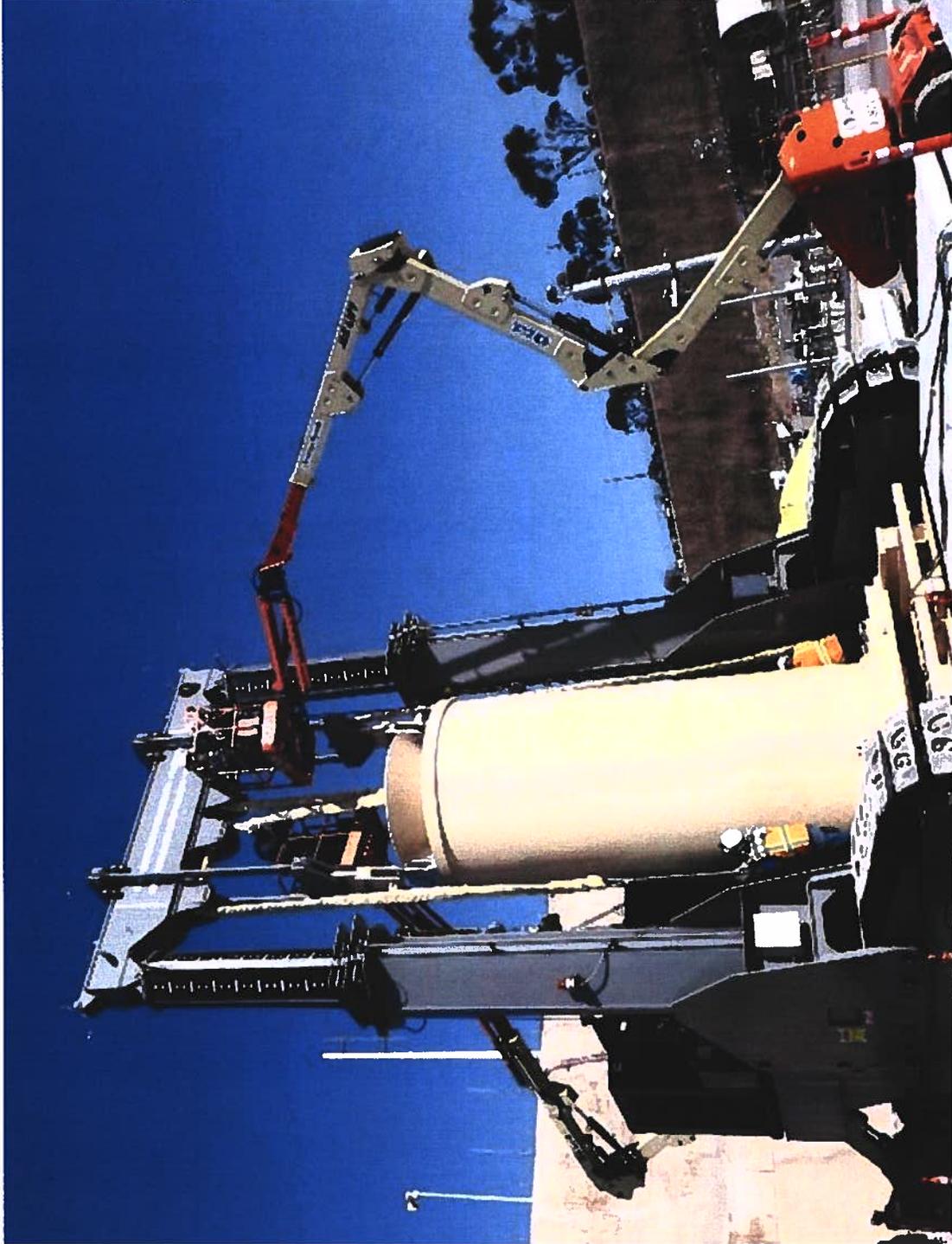
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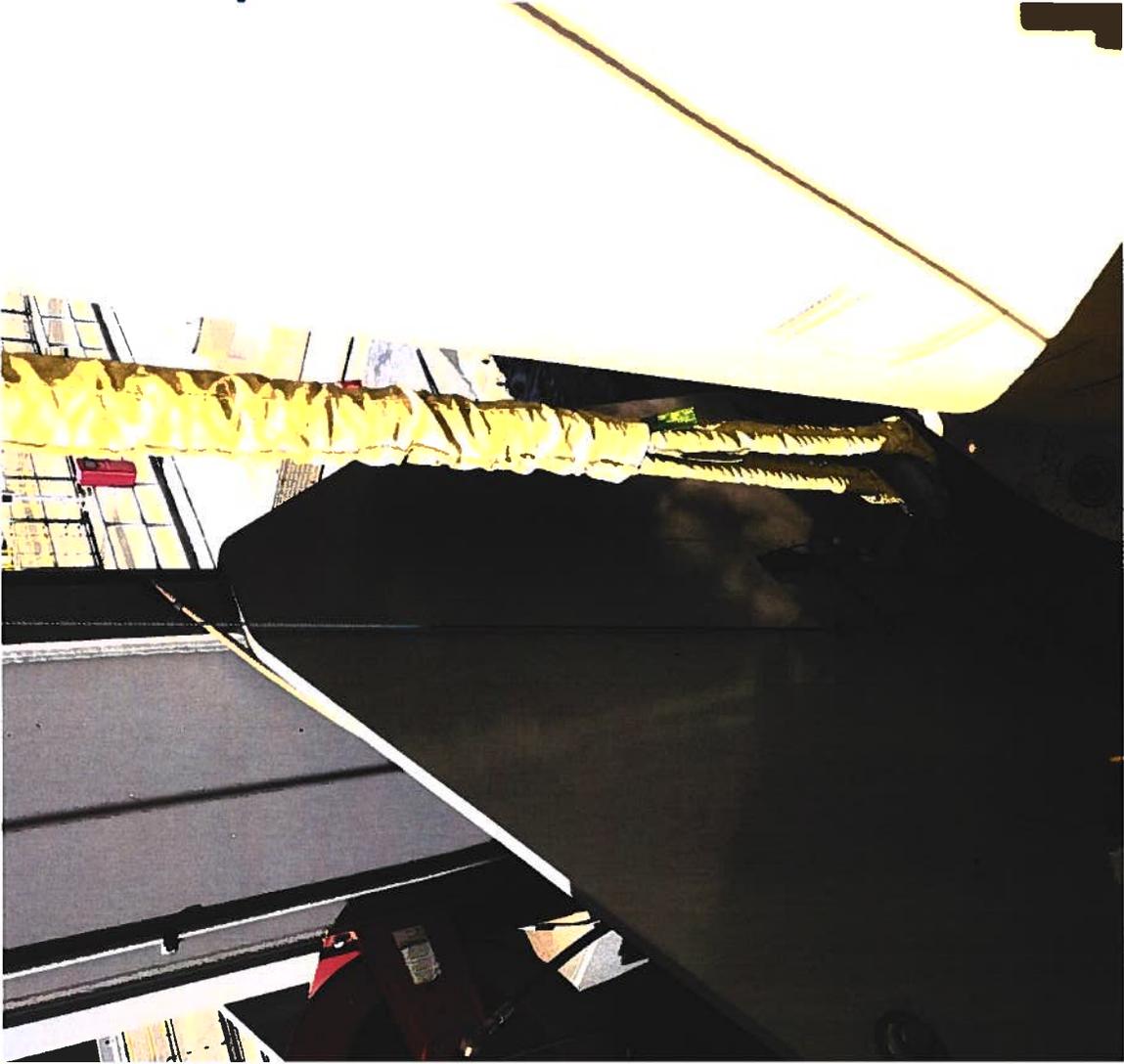




## Downloading: Alignment

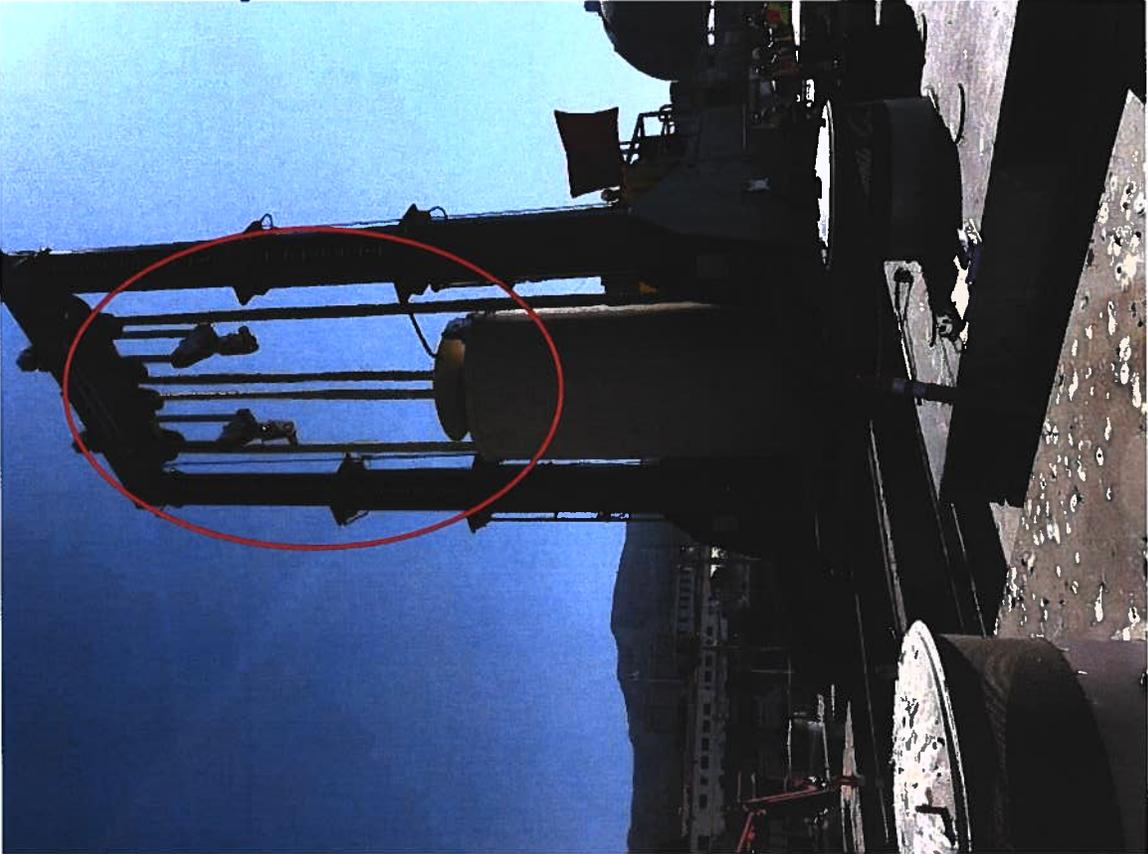
# Downloading: Attaching Slings





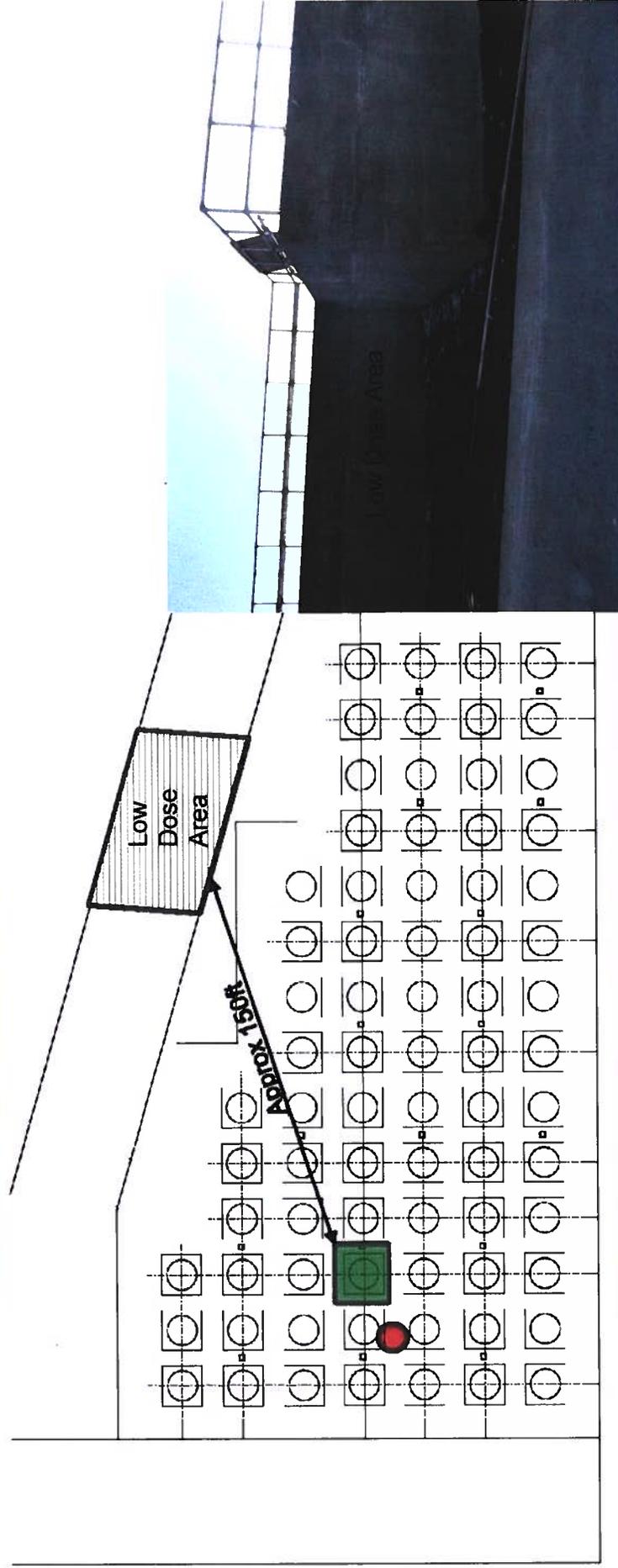
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## Downloading: Attaching Slings



# Downloading Preparations

# What Happened on August 3rd?



# What Happened on August 3rd?



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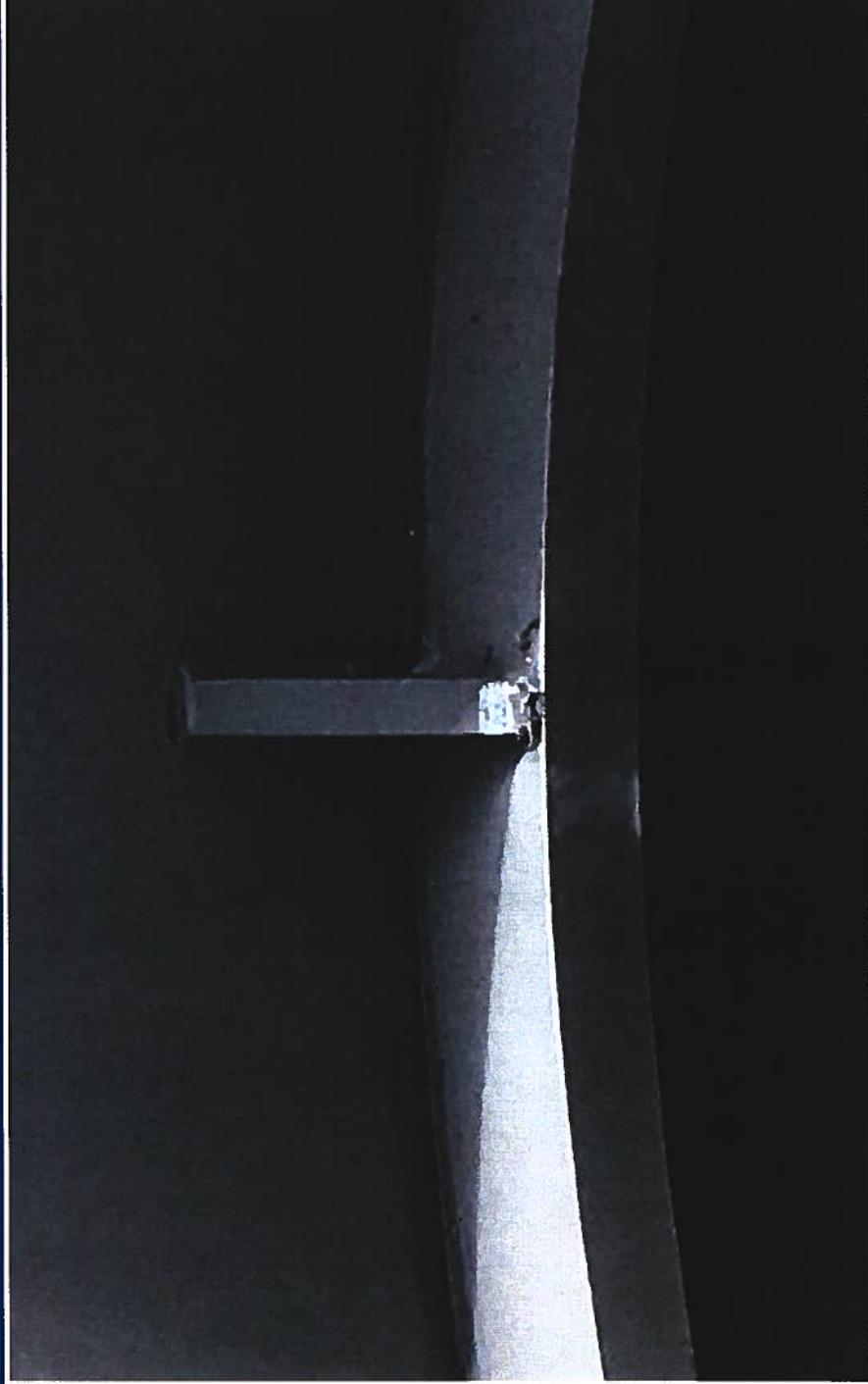
# What Happened on August 3<sup>rd</sup>?





# What Happened on August 3rd?

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# EXHIBIT 16

## WEBINAR TRANSCRIPT

This document provides the transcript from a predecisional enforcement conference (PEC) webinar that was held on January 24, 2019, between the Nuclear Regulatory Commission (NRC) and representatives of the licensee, Southern California Edison (SCE). This meeting was held to discuss preliminary findings of a Special Inspection that the NRC conducted at San Onofre Nuclear Generating Station in September 2018. The inspection was conducted in response to an incident that resulted in the misalignment of a multi-purpose canister loaded with spent fuel at the San Onofre Nuclear Generating Station.

### NRC Participants:

Scott Morris, Regional Administrator  
Region IV

Ryan Alexander, Facilitator and Senior Projects Engineer  
Reactor Projects Branch A  
Division of Reactor Projects  
Region IV

Lee Brookhart, Senior ISFSI Inspector  
Fuel Cycle and Decommissioning Branch  
Division of Nuclear Materials Safety  
Region IV

Michele Burgess, Senior Regional Coordinator  
Office of Nuclear Material Safety and Safeguards

David Cylkowski, Regional Counsel  
Region IV

Linda Howell, Deputy Director  
Division of Nuclear Materials Safety  
Region IV

Dr. Janine Katanic, Chief  
Fuel Cycle and Decommissioning Branch  
Division of Nuclear Materials Safety  
Region IV

Thomas Marenchin, Enforcement Specialist  
Enforcement Branch  
Office of Enforcement

Patricia Silva, Chief  
Inspection and Operations Branch  
Division of Spent Fuel Management

Eric Simpson, Health Physicist  
Fuel Cycle and Decommissioning Branch  
Division of Nuclear Materials Safety  
Region IV

Chris Smith, Reactor Inspector  
Engineering Branch 1  
Division of Reactor Safety  
Region IV

Michael Vasquez, Team Leader  
Allegations Coordination and Enforcement Staff  
Region IV

Licensee Participants:

Stefan Anton, Vice President of Engineering  
Holtec International

Al Bates, Manager  
Regulatory Affairs and Nuclear Oversight  
Southern California Edison

Doug Bauder, Vice President of Decommissioning and Chief Nuclear Officer  
Southern California Edison

Lou Bosch, Plant Manager  
Southern California Edison

Chuck Bullard  
Engineering  
Holtec International

Derek Brice, Attorney  
Southern California Edison

Mark Morgan  
Regulatory Affairs  
Southern California Edison

Tom Palmisano, Vice President of External Engagement  
Southern California Edison

Jim Peattie, Manager  
Corrective Action Program and Decommissioning Oversight

Tom Poindexter, Attorney  
Morgan-Lewis

Jerry Stephenson, Manager  
ISFSI Engineering  
Southern California Edison

- [Scott] All right, good afternoon.

I'm Scott Morris, Regional Administrator  
NRC Region IV Office here in Arlington Texas.

This afternoon, we will conduct a public  
predecisional enforcement conference

between the NRC and

Southern California Edison

concerning activities at the San Onofre  
Nuclear Generating Station.

During this conference, we will discuss  
two apparent violations

of NRC requirements

that we are evaluating under  
the NRC's enforcement policy.

Before I go any further, I'd

like to ask the NRC staff

to introduce themselves,

then give Southern California

Edison an opportunity to

introduce your representatives.

So, with that, Michael.

- [Michael] Good afternoon,

I'm Michael Vasquez.

I'm the Team Leader for the Allegation  
Coordination and Enforcement Staff.

- I'm Dr. Janine Katanic  
and I'm the Chief of the,  
can't even remember anymore, Fuel Cycle  
and Decommissioning Branch.

- [Linda] And I'm Linda

of the enforcement policy?

Thank you.

Back to Linda.

- [Linda] Okay, well I'll turn the discussion next over to Dr Katanic who will provide some details concerning the apparent violations.

- [Janine] Okay, I'm Doctor Janine Katanic, and I'm the Chief of the Fuel Cycle and Decommissioning Branch, Mr Eric Simpson who was the Lead Inspector for the Special Inspection who works with me in this branch. I'd like to go over the two apparent violations and I will note for our audience that the apparent violations described in the slides are in abbreviated or summarized version just for ease of presentation. I will, however, verbally provide the full text of the apparent violations, which can be found in the handout. As previously noted, the apparent violations are subject to further

review and may be revised.

On slide 10, just to give a very high level overview before I read the text of the apparent violation, this apparent violation is related to the August 3rd, 2018 incident when a loaded spent fuel canister was being lowered into the vault and the canister was misaligned and was not being supported by the redundant, important-to-safety, drop protection features which in this case were the slings.

Apparent Violation One, to read the text of it, 10 CFR 72.212(b)(3) requires, in part, that each cask used by the general licensee conforms to the terms, conditions, and specifications of a Certificate of Compliance listed in 10 CFR 72.214. 10 CFR 72.214 includes a list of all the approved spent fuel storage casks that can be utilized under the conditions specified

take just a one minute  
pause if we can, we're  
going to move the mic just  
one second, hold on.  
Please try to move your  
microphones to the best  
of your ability, close to your mouth.

- [Man] Sorry folks.

- [Janine] Thank you.

If there are no questions  
regarding Apparent Violation  
1, I'll move on to  
Apparent Violation 2.

Are there any?

- [Doug] No questions, thank you.

- [Janine] All right on  
slide 11, regarding Apparent  
Violation 2, again, just to  
give a high level overview  
before I read the apparent violation,  
the apparent violation involved timely  
notification to the NRC of  
the disabling of important to  
safety equipment. The incident  
occurred on Friday, August  
3rd, 2018, and on the afternoon  
of Monday, August 6th, 2018,  
you provided a courtesy  
notification of the  
incident to our office, in

fact, to myself and others.

Following this courtesy notification the NRC discussed the reporting requirement with Southern California Edison during subsequent conversations. On September

14th, 2018, at the prompting of the Special Inspection Team, the condition was formally reported by Southern California Edison to the NRC Headquarters Operations Center.

Apparent Violation 2, 10 CFR 72.75(d)(1) requires in part that each licensee shall notify the NRC within 24 hours after the discovery of any of the following events involving spent fuel in which important to safety equipment is disabled or fails to function as designed when: one, the equipment is required by regulation, licensed condition or Certificate of Compliance to be available and operable to mitigate the consequences

# EXHIBIT 17

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1ST QUARTER COMMUNITY ENGAGEMENT PANEL  
(REGULAR MEETING)

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
Laguna Hills, California  
March 28, 2019

Reported by:  
Denise Herft, CSR #12983  
JOB No. 3229768  
Pages 1 - 172

1 1st Quarter Community Engagement Panel

2

3

4 DR. VICTOR: Okay, let's get settled  
5 here. Thank you everyone for coming out tonight,  
6 especially with the weather as beautiful as it is,  
7 the wildflowers as extraordinary as they are, and  
8 a clean 2- to 4-foot swell in the ocean, and  
9 you're all here with us tonight, so I am grateful  
10 for you coming. And I think it's testimony to the  
11 importance of the subject that we're going to be  
12 dealing with tonight about the canister  
13 downloading events at the plant, what's been  
14 learned and the direction forward.

15 My name is David Victor and I co-chair  
16 the Community Engagement Panel, Dan Stetson is the  
17 vice chairman, Jerry Kern here, the secretary.  
18 Just wanted, before we get started, if you need to  
19 evacuate the room, if a need arise to evacuate the  
20 room, you can go back out the door you came in or  
21 out the side doors. They're all labeled exit  
22 here. You can also go out there but I think,  
23 frankly, this is a better way to get outside.

24 The Orange County Sheriff's, two of them  
25 are here tonight. Thank you very much for your

Page 2

1           We've certainly reached out to them and  
2 offered to meet with the task force as it gets  
3 settled. I know you guys are still in the process  
4 of figuring out membership of that task force.

5           So the next slide, please.

6           I want to ask Dan Stetson to say a little  
7 bit about where the California State Lands  
8 Commission and Reef Expansion processes are.

9           MR. STETSON: Thank you, David.

10           There's been two very important meetings  
11 over the last couple of weeks. The first one  
12 actually was on March 7th, and that was the  
13 California Coastal Commission, and they approved a  
14 dramatic expansion of the Wheeler North Reef off  
15 of San Clemente. As you may recall as one of the  
16 operating conditions for keeping the plant  
17 running, SCE agreed to develop an offshore reef  
18 and they did. It didn't quite meet the minimum  
19 biomass required. It met quite a number of the  
20 other requirements but that was one that it didn't  
21 quite meet, so Edison has agreed to invest another  
22 \$20 million to virtually double the size of the  
23 reef and that will start taking place in May and  
24 through September.

25           The second very important meeting that

1 took place was on March 21st and that was  
2 California State Lands Commission. And as you  
3 know, we've been waiting for a couple of years for  
4 the environmental impact report to be voted upon,  
5 and so the State Lands Commission who is composed  
6 of three individuals: lieutenant governor, the  
7 state controller, and the state director of  
8 finance; they met. They had presentation from  
9 their staff, then there was a presentation from  
10 Southern California Edison; there were a number of  
11 comments and questions that were raised and many  
12 of those were answered. And then the State Lands  
13 Commission voted unanimously to certify and  
14 approve the environmental impact report.

15 Next it's off to the Coastal Commission  
16 for a coastal development permit.

17 DR. VICTOR: Great. Thank you very much.

18 I want to now go to the next slide.  
19 Tonight's meeting is about fuel offloading and  
20 where that process is and that is fitting and  
21 proper, but over the long term what really matters  
22 to us is creating a change in federal law that  
23 makes it possible to send the spent fuel away from  
24 San Onofre in a responsible fashion to an interim  
25 storage site and then eventually a permanent

1 repository. That's the -- what we need to get  
2 done over the long term.

3           Every meeting we've given an update on  
4 that process. We got very close, I think, last  
5 year in both the house and the senate. We have a  
6 new congress this year, and I've been in  
7 Washington a lot, and I want to give you a little  
8 update on where that process stands and what I  
9 think we should expect this year. I don't think  
10 there's an action item for us as a community to  
11 send a lot of letters. It's mostly an inside  
12 Washington item, but I want to underscore where we  
13 think that is right now.

14           There are two main strategies for getting  
15 a change in federal law. We need a change in  
16 federal law because current federal law is  
17 ambiguous about what would happen if we wanted to  
18 send spent fuel to an interim storage site, like  
19 New Mexico or in West Texas. It's ambiguous about  
20 how that would be funded, about who would hold  
21 title to the spent nuclear fuel, and those things  
22 really matter, because without clarity, we can't  
23 actually send spent fuel to those sites.

24           There have been two strategies that have  
25 been pursued simultaneously: One strategy is to

1 try to change federal law through the  
2 authorization process. That is the strategy that  
3 was followed last year in the house with a bill  
4 that passed the house but didn't even get an  
5 airing in the senate. There will be another  
6 attempt at that in the house probably this fall.  
7 This spring the house is busy doing other things,  
8 climate change, green new deal, a variety of  
9 activities, but this fall it looks like there will  
10 be an effort to at least talk again about a new  
11 version of what last year was called the Shimkus  
12 Bill.

13           One of the things that is very  
14 encouraging about that process is a lot more are  
15 people talking about all the other rules that you  
16 need to adjust including the rules around which  
17 spent fuel gets sent first, which is very, very  
18 important for us because the current arrangements,  
19 although ambiguous, would send a shipment of fuel  
20 from this site and then another site, and it could  
21 take forever to get the spent fuel out of here, so  
22 we're doing a lot of work to try and get the rules  
23 changed to put spent fuel from places like San  
24 Onofre that are decommission sites higher on the  
25 list, and the politics of that are complicated but

1 there's a lot of work underway.

2           That's the authorization process, but  
3 nothing has happened by that mechanism in the  
4 senate. In the senate it's been a very different  
5 strategy, which is trying to work through the  
6 appropriations process, in particular because of  
7 Senator Feinstein and Senator Alexander who have  
8 been enormous champions of consolidated interim  
9 storage and of getting funding for pilot projects  
10 at these sites that are merging in Texas and in  
11 New Mexico.

12           Pilot project funding is very, very  
13 important, because if you can fund a pilot  
14 project, if the Department of Energy can do a  
15 pilot project, then we can begin to send shipments  
16 of spent fuel, and we can begin to build a broader  
17 political coalition that we need for a larger  
18 change in federal law, so that's why it's so  
19 important.

20           We have helped, along with many others,  
21 to have the same language from the senate be  
22 considered inside the house. My read is -- as of  
23 the last few days, my read is that this year we're  
24 not going to get full appropriations in the  
25 house for this, but we may well get what we need

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1 it's this one or others, depending on the  
2 tolerances, has some contact as the canister is  
3 lowered. We found alignment is important, okay.  
4 We've significantly improved that and demonstrated  
5 that during dry runs as well as the equipment to  
6 better monitor. That is what has been done.

7 MR. TAYLOR: Thank you.

8 Thank you, Manuel. Let's go back to the  
9 slide I left at.

10 Other questions from the Panel? I want  
11 to make sure we take a minute.

12 Okay. So let me go on. So now I want to  
13 talk about event reporting. This gets to the  
14 violation that the NRC discussed in the  
15 pre-decisional enforcement conference in the  
16 recent webinar on Monday when we got the results.  
17 One of the things we did, we did not interpret the  
18 regulations correctly in terms of a formal report  
19 to the NRC. The event occurred August 3rd, and we  
20 notified the NRC informally with a briefing on  
21 August 6th, the next working day, on Monday.

22 However, there were also formal reporting  
23 requirements that there's some criteria specified,  
24 in this case 10 CFR Part 72, for the dry cask  
25 storage system. We read that, we did not

1 interpret it correctly that this required a formal  
2 report, which is submitted to the NRC  
3 headquarters, and that report allows a couple  
4 things: one, it alerts the NRC so they can decide  
5 an appropriate response; and, secondly, it alerts  
6 the rest of the industry that the event occurred  
7 and at least with the initial information.  
8 Although we may have provided the NRC appropriate  
9 information on a courtesy basis, we did not meet  
10 the formal reporting requirement, because we  
11 misinterpreted the regulation.

12 We discussed that with the NRC when they  
13 were on site in September, and ultimately they  
14 convinced us that we were interpreting it wrong,  
15 and we filed the required formal report on  
16 September 14th; however, it was late. Okay,  
17 there's a specified time period and that was late.  
18 So as a result of that -- I'm not going to talk  
19 about the enforcement action, that's been  
20 communicated I think effectively, but we had to  
21 take corrective action.

22 So why did we not understand the  
23 regulation well enough around reporting? We've  
24 reviewed and revised our procedures. We've  
25 provided additional training; we've gone back and

1 looked at other activities to say did we  
2 misinterpret something that may have hit the  
3 threshold for formal reporting. After the  
4 training we've tested our people, and we will  
5 retrain regularly on this.

6           The other thing you've seen since then,  
7 again, with what we learned out of this, we have  
8 now made several other reports basically adopting  
9 a better attitude that if we're in doubt, we're  
10 going to report it, we can always retract it if it  
11 doesn't meet the criteria. So we have fixed this  
12 issue, but that's what was behind the failure to  
13 make the formal report.

14           So basically everything I've covered, I  
15 covered on November 28th so I just briefly  
16 recapped. So let me talk about some important  
17 things, and I want to take some time on this  
18 because we've continued through some of the  
19 corrective action reviews to find some issues at  
20 varying levels of significance but it's important  
21 in the effort to be transparent that we talk about  
22 those. I think we're a little long in time, but  
23 I'll try to be brief here.

24           So we've done a broad review, so we  
25 Edison, Holtec, our contractor, our third-party