

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

Order Instituting Investigation on the
Commission's Own Motion into the Rates,
Operations, Practices, Services and Facilities
of Southern California Edison Company and
San Diego Gas and Electric Company
Associated with the San Onofre Nuclear
Generating Station Units 2 and 3.

Investigation 12-10-013
(Filed October 25, 2012)

And Related Matters.

Application 13-01-016
Application 13-03-005
Application 13-03-013
Application 13-03-014

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) RESPONSE TO
ADMINISTRATIVE LAW JUDGES' RULING**

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Dated: April 29, 2015

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Southern California Edison (“SCE”) respectfully submits this response to the Administrative Law Judges’ Ruling Directing Southern California Edison Company To Provide Additional Information Related To Late-Filed Notices of *Ex Parte* Communications (“Ruling”).

The Ruling directs SCE to produce documents, as follows:

1. SCE shall produce all documents pertaining to oral and written communications about potential settlement of the SONGS OII between any SCE employee and CPUC decisionmaker(s) between March 1, 2013 and November 31, 2014 which reported, discussed, referred to, or otherwise contained a description of such communications.
2. SCE shall produce all written communications internal to SCE which reported, discussed, referred to, or otherwise contained, a description of oral or written communications about settlement with CPUC decisionmaker(s), identified pursuant to Question 1 above.

In compliance with the Ruling, SCE submits the following: (1) this response; (2) 28 documents responsive to items 1 and 2 as quoted above (Appendix D) (with attachments, there are 34 records); (3) a privilege log describing the documents that are responsive and withheld based on privilege (Appendix E); and (4) declarations of Stephen Pickett and Ron Litzinger (Appendices F and G).

The Ruling also directs SCE to file “notices of any undisclosed communication identified in Question 1 above” or any other *ex parte* communications.¹ SCE has not identified any other communications that it believes require an *ex parte* notice. In Appendix C, SCE sets forth a summary of communications between SCE and CPUC decision makers from October 25, 2012 (the date this proceeding was initiated), through November 30, 2014. SCE does not believe that

¹ Ruling, p. 6.

the CPUC's rules required these communications to be reported, but SCE is describing them in the interest of transparency.

I. INTRODUCTION

The accompanying materials, and SCE's document review, make a few points clear.

1. SCE Did Not Negotiate A Settlement With President Peevey or Any Other CPUC Decision Maker: After the meeting in Warsaw on March 26, 2013, SCE did not engage in any communications with CPUC decision makers regarding the terms of a settlement of the SONGS OII until after the settlement was signed. While SCE periodically updated CPUC decision makers about the procedural status of settlement negotiations (i.e., that settlement talks were progressing), SCE did not discuss the substance of the negotiations with those decision makers. The settlement was negotiated with The Utility Reform Network ("TURN") and the Office of Ratepayer Advocates ("ORA") and, as far as SCE is aware, no CPUC decision maker was involved in the settlement negotiations.

2. Warsaw Meeting Was Not A Negotiation: Stephen Pickett, who was then an SCE executive, was taken by surprise when President Peevey began speaking in Warsaw about a framework for a possible resolution of the OII. Mr. Pickett had no authority to negotiate a settlement agreement, and did not reach or attempt to reach with President Peevey any agreement, tentative or otherwise, to settle the OII. Instead, President Peevey outlined ideas about costs which would be addressed in the event of a shutdown of SONGS and encouraged SCE to engage in a settlement negotiation with parties to the OII.

3. Warsaw Meeting Was Mainly A One-Way Communication: Under the CPUC's ex parte rules, a one-way communication from a CPUC decision maker to a party is not reportable. At the time of the Warsaw meeting, Mr. Pickett believed that the communication on

cost recovery was one-way, from President Peevey to Mr. Pickett. SCE undertook a deliberate process at the time and, based on Mr. Pickett's report, concluded that an ex parte notice was not required. It was only recently, when Mr. Pickett disclosed that he had expressed a brief reaction to one of President Peevey's remarks, that SCE came to the conclusion that an ex parte notice was appropriate to avoid making a close call on this issue.

4. President Peevey's Communications Did Not Influence The Settlement:

Neither the communication from President Peevey to Mr. Pickett in Warsaw, nor any of the other communications described below, influenced the outcome of the settlement negotiations among SCE, TURN, ORA, and San Diego Gas & Electric Co. ("SDG&E"). ORA and TURN were active, fully-engaged parties to the settlement negotiations, which spanned 10 months and involved 14 in-person meetings and numerous telephone calls. ORA and TURN reached their own conclusions as to the gives and takes of various provisions and ultimately of the settlement as a whole and the value it would provide to customers. The result of the negotiations proves this point: the settlement was materially different from the ideas laid out by President Peevey in Warsaw. The fact that the President Peevey communication to Mr. Pickett did not influence the settlement negotiation is corroborated by TURN's conduct: TURN has acknowledged that, in April 2014, President Peevey told TURN about the Peevey-Pickett meeting, but despite that disclosure TURN continued to support the settlement.

5. Post-Settlement, SCE Resisted Peevey Outreach Regarding UC Contribution:

On multiple occasions after the settlement was signed, President Peevey demanded that SCE make a charitable contribution to UCLA for greenhouse gas research – an idea that President Peevey expressed to Mr. Pickett in Warsaw, but that was not included in the parties' settlement agreement. SCE refused to discuss that matter with President Peevey.

II. DESCRIPTION OF DOCUMENT REVIEW PROCESS

SCE is producing all non-privileged documents responsive to the Ruling that it has located after a robust and thorough process. SCE collected over two million documents from the 13 employees (identified in Appendix A) who were believed to be most likely to have potentially responsive documents, based on their positions and responsibilities for interacting with the CPUC or overseeing those who did. SCE searched for and is producing non-privileged documents (1) constituting a communication between SCE and a CPUC decision maker regarding settlement of the SONGS OII, and (2) constituting an internal SCE communication that refers to communications between SCE and a CPUC decision maker regarding settlement of the SONGS OII.² SCE is not producing on-the-record communications, i.e., pleadings regarding the motion for CPUC approval of the settlement, the transcript of the evidentiary hearing and oral argument, comments made at the June 16, 2014 community meeting, emails to the service list, communications previously reported in ex parte notices, and internal SCE drafts of such communications.

SCE searched for and is producing responsive documents dated March 1, 2013, through November 30, 2014.

To identify the documents responsive to the Ruling as so interpreted, SCE followed a multi-step process, the details of which are set forth in Appendix A.

III. OVERVIEW OF COMMUNICATIONS WITH CPUC REGARDING SETTLEMENT

To provide a context for the documents and declarations filed concurrently, SCE offers the following overview of its communications with CPUC decision makers regarding

² Ruling, p. 5 (requiring SCE to produce “written communications (e.g., email) and documents pertaining to oral communications (including references to written communications) involving possible settlement of the consolidated proceedings comprising the OII.”).

settlement of the OII.³ A chronology of the key events is provided in Appendix B. A description of SCE's communication with CPUC decision makers is provided in Appendix C. This description is responsive to item 3 in the Ruling, which directs SCE to file notices of "any undisclosed communication identified in Question 1 above." SCE does not believe there were any reportable ex parte communications.

As set forth in Mr. Pickett's declaration, in March 2013, Mr. Pickett, who was at that time SCE's Executive Vice President of External Relations, traveled to Poland as part of a study tour organized by the California Foundation on the Environment and Economy ("CFEE"). Also on the trip were approximately 20-30 other individuals, including then-President Peevey. Mr. Pickett did not expect to discuss settlement of the OII with President Peevey and did not have authority to negotiate a settlement.⁴

Ron Litzinger, who was at that time SCE's President, corroborates this recollection. Mr. Litzinger's declaration states that he did not know that there would be any discussion between Mr. Pickett and President Peevey about settlement, and Mr. Pickett was not given any authority to engage in any discussion with President Peevey about settlement. Further, according to Mr. Litzinger, SCE could not have and would not have negotiated a settlement of the SONGS OII with President Peevey. Mr. Litzinger understood at the time that if SCE decided to negotiate a settlement, it would have had to negotiate with one or more of the non-respondent parties to the SONGS OII and present the settlement to the Commission for approval.⁵

³ The following overview is a summary and not a verbatim account of the communications. The summary is based on the recollections of Messrs. Pickett and Litzinger, as set forth in their declarations, and on the documents SCE has reviewed to date.

⁴ Pickett Decl. ¶¶ 2-3.

⁵ Litzinger Decl. ¶¶ 1, 3.

Mr. Pickett recalls that he anticipated providing a briefing to President Peevey on the status of SCE's efforts to restart SONGS, and he provided that briefing on March 26, 2013 – some two and a half months before SCE announced its decision to permanently shut down SONGS. Mr. Pickett's declaration sets forth his recollection of that briefing. Mr. Pickett stated that it appeared that the Nuclear Regulatory Commission ("NRC") was likely to require a license amendment for SCE's restart plan, and that this could result in a delay in restart. President Peevey expressed concern about this delay and noted that SCE might have to shut down SONGS permanently. Mr. Pickett stated that SCE was continuing to make every effort to pursue restart. President Peevey, however, pursued his line of thought about a shutdown, and articulated his views on the various cost issues that would have to be addressed in the event of a shutdown.

According to Mr. Pickett, President Peevey's comments on these issues were stated in broad terms, with many details not addressed. Mr. Pickett understood the comments as reflecting President Peevey's thoughts on how, based on precedent, the cost responsibility for SONGS might ultimately be sorted out. Mr. Pickett did not understand President Peevey's comments as a settlement directive or as a prejudgment of the outcome of the OII.⁶

Mr. Pickett took notes of President Peevey's comments in an effort to organize President Peevey's comments for Mr. Pickett's own benefit. The notes are not a verbatim record of President Peevey's comments, do not reflect the order of the conversation, and were not a term sheet. President Peevey asked Mr. Pickett to give the notes to him. President Peevey wrote on the notes, but did not show those annotations to Mr. Pickett. President Peevey kept the notes at the conclusion of the meeting.⁷ SCE filed a copy of those notes in its Supplement to the Late-

⁶ Pickett Decl. ¶¶ 8- 10.

⁷ Pickett Decl. ¶ 11.

Filed Notice of Ex Parte, filed on April 13, 2015, promptly after those notes were made available by the California Attorney General's office.

Mr. Pickett did not engage in settlement negotiations with President Peevey, and he did not reach or attempt to reach any agreement, tentative or otherwise, with President Peevey about the SONGS OII. Mr. Pickett had no authority to negotiate a settlement with President Peevey and had no intention of doing so. Instead, President Peevey communicated his views on how the cost responsibility for SONGS might ultimately be sorted out in the event of a shutdown, and he encouraged SCE to engage in settlement negotiations with consumer and other groups and to bring a settlement proposal to the CPUC for consideration. Mr. Pickett did not understand President Peevey's comments to constitute a direction to settle on those terms.⁸

The substance of the communication about possible resolution of the OII was, in the main, from President Peevey to Mr. Pickett. As far as Mr. Pickett recalls, he did not respond to President Peevey's comments, with one exception: when President Peevey commented that there should be a disallowance of replacement power costs, Mr. Pickett very briefly expressed disagreement. Mr. Pickett did not believe that his expression crossed over into a substantive communication. Instead, Mr. Pickett believed that the substantive communication on cost recovery was one-way, from President Peevey to Mr. Pickett, and as such was not reportable under the CPUC's ex parte rules.⁹

On April 1, 2013, after his return to the United States, Mr. Pickett briefed Mr. Litzinger and Edison International senior executives about what President Peevey had said about

⁸ Id. ¶¶ 7-13.

⁹ Id. ¶¶ 10-15.

SONGS in Poland.¹⁰ As Mr. Litzinger recalls, Mr. Pickett reported that the communication was one-way: President Peevey was talking to Mr. Pickett about a possible framework for a resolution of the SONGS OII.¹¹ Mr. Pickett likewise recalls believing that the meeting was not reportable, based on his general understanding of the ex parte rules.¹² Mr. Pickett thereafter consulted with SCE counsel on the issue, and SCE did not file an ex parte notice at that time.¹³

Mr. Litzinger was concerned about Mr. Pickett's report for a number of reasons. Foremost among these reasons was that President Peevey's comments were premised on the assumption that SCE would permanently shut down SONGS. At this time, however, SCE was actively pursuing approval from the NRC to restart Unit 2. Mr. Litzinger believed that it was damaging and counterproductive to engage in a discussion about shut-down while SCE was pursuing restart. Mr. Litzinger was also concerned because SCE had not designated, and would not designate, Mr. Pickett as its representative to discuss settlement. In any case, SCE would not engage in a negotiation with President Peevey, or any other CPUC decision maker, to settle the OII. At the conclusion of the April 1, 2013 meeting, Mr. Litzinger told Mr. Pickett that he was not authorized to negotiate a settlement for SCE and that SCE was in "listen-only" mode.¹⁴

Also after the April 1, 2013 meeting, Mr. Pickett summarized the points raised by President Peevey. SCE is producing that document today. According to Mr. Pickett, the document reflected President Peevey's comments about a possible resolution of the SONGS OII,

¹⁰ Id. ¶ 16.

¹¹ Litzinger Decl. ¶ 4.

¹² Pickett Decl. ¶ 16.

¹³ Id.

¹⁴ Litzinger Decl. ¶¶ 3, 4.

and was meant to be an internal outline that could serve as a basis for discussing a potential settlement with parties to the OII should SCE's efforts to restart SONGS prove unsuccessful.¹⁵

On April 11, 2013, Mr. Litzinger again met with Mr. Pickett. According to Mr. Litzinger's recollection, Mr. Pickett confirmed that the meeting in Poland was a one-way communication in which President Peevey communicated to Mr. Pickett and Mr. Pickett did not communicate anything of substance to President Peevey regarding settlement. Mr. Litzinger also reinforced the message that Mr. Pickett was not authorized to negotiate any SONGS settlement.¹⁶

Mr. Pickett states categorically that, after the Poland trip, he did not speak with President Peevey about a SONGS settlement, nor did he speak with any other CPUC decision maker regarding a SONGS settlement, prior to its being publicly announced.¹⁷

Mr. Pickett was not involved in the settlement negotiations. Those negotiations were conducted among SCE (represented by Henry Weissmann), SDG&E (represented by Lee Schavrien), TURN (represented by Matt Freedman), and ORA (represented by Mark Pocta, Greg Heiden, and Ed Moldavsky). These negotiations were protracted and hard-fought, in which there were approximately 14 in-person negotiating sessions and numerous phone calls conducted over 10 months from June 2013 to March 2014. As far as SCE is aware, President Peevey did not participate in the negotiations, nor did any other CPUC decision maker. The four parties who

¹⁵ Pickett Decl. ¶ 17.

¹⁶ Litzinger Decl. ¶ 5.

¹⁷ Pickett Decl. ¶ 18. The only other communication Mr. Pickett recalls having with President Peevey or any other CPUC decision maker about settlement occurred in the summer of 2014, after the settlement was announced and after Pickett had retired from SCE. At that time, President Peevey made a passing comment to the effect that he liked the settlement but that an element was missing – specifically something to address greenhouse gas issues – and he was going to work to get it added. Mr. Pickett did not respond to President Peevey's comment on the SONGS settlement.

negotiated the settlement issued a notice of settlement conference on March 20, 2014, and signed the settlement on March 27, 2014 after conducting the settlement conference.

No communications about the terms of a settlement of the OII occurred between SCE and CPUC decision makers between March 26, 2013 (the date of the Peevey-Pickett meeting) and March 27, 2014 (the date the settlement agreement was signed). While SCE periodically responded to President Peevey's requests for updates about the procedural status of settlement negotiations (i.e., settlement talks were ongoing), SCE did not discuss the substance of the negotiations with President Peevey or any other CPUC decision maker.¹⁸

Nor was there any off-the-record communication between SCE and CPUC decision makers about the settlement terms after March 27, 2014 until May 2, 2014. On that date, Mr. Litzinger and R.O. Nichols, SCE's Senior Vice President for Regulatory Affairs, met with President Peevey and Commissioner Florio for the purpose of providing an update on SCE's preferred resources pilot. Mr. Litzinger's declaration describes the meeting in detail. President Peevey stated that he was pleased with the SONGS settlement. President Peevey stated that Mr. Litzinger probably knew he had talked to Mr. Pickett in Poland. President Peevey waved a set of handwritten notes, but did not give the notes to Mr. Litzinger to read. Mr. Litzinger said he was aware that a conversation took place but that Mr. Pickett was not authorized to speak on behalf of SCE. President Peevey stated that the settlement was missing a provision about greenhouse gas research, and he asked SCE to make a voluntary contribution to the University of California ("UC"), specifically UCLA, for greenhouse gas research. President Peevey stated the contribution should total \$25 million over five years, with \$4 million a year coming from SCE and \$1 million a year coming from SDG&E. Mr. Litzinger recalls that, to

¹⁸ Litzinger Decl. ¶ 7.

avoid engaging on the topic, he told President Peevey that they would get back to him. Mr. Litzinger made a point not to respond to President Peevey's suggestion that the settlement should include a contribution to the UC. Mr. Litzinger also recalls that Mr. Nichols remained silent.¹⁹

After the May 2, 2014 meeting, Mr. Litzinger called Commissioner Florio and said that, even though the communication about SONGS at the May 2 meeting was one-way (from President Peevey to Mr. Litzinger and Mr. Nichols), SCE was considering filing an ex parte notice. Mr. Litzinger recalls Commissioner Florio stating he agreed Mr. Litzinger and Mr. Nichols were in listening mode and did not say anything substantive regarding SONGS in the May 2 meeting. Commissioner Florio stated that he did not think it would be a problem for SCE nevertheless to file an ex parte notice, but that he wanted to check with President Peevey. Mr. Litzinger recounts that Commissioner Florio then called Mr. Litzinger back and said he had spoken with Carol Brown, President Peevey's Chief of Staff, and they had concluded SCE should not file an ex parte notice because SCE was in listening mode. Following the call, SCE concluded that an ex parte notice was not required, and Mr. Litzinger informed Commissioner Florio of SCE's decision not to file a notice.²⁰

On May 14, 2014, prior to the evidentiary hearing on the proposed settlement, President Peevey asked Mr. Litzinger to meet with him and Commissioner Florio. During the meeting, which involved non-SONGS topics as well, President Peevey raised the issue of SCE making a contribution to UC for greenhouse gas research. Mr. Litzinger stated he could not engage in a substantive conversation on that topic.²¹

¹⁹ Id. ¶¶ 8-9.

²⁰ Id. ¶ 10.

²¹ Id. ¶ 11.

Thereafter, President Peevey placed several calls to Mr. Litzinger, but they did not speak until June 5, 2014. At that time, President Peevey again raised the issue of SCE making a contribution to UC for greenhouse gas research. Mr. Litzinger again told President Peevey that he could not respond. President Peevey expressed frustration and demanded to meet with Mr. Craver.²²

On June 11, 2014, President Peevey called Mike Hoover, SCE's Director of State Energy Regulation, to his office, raised the issue of SCE making a contribution to UC for greenhouse gas research, and asked Mr. Hoover to deliver to Mr. Litzinger a handwritten letter from President Peevey attaching letters written by public officials to the CPUC urging the CPUC to support greenhouse gas research. Mr. Hoover transmitted those materials to Mr. Litzinger that same day. SCE is producing those documents today.²³

On June 17, 2014, President Peevey was part of a large group that attended a meeting at SCE organized by the Coalition for Environmental Protection, Restoration and Development; the meeting was unrelated to SONGS. In the course of the day, President Peevey initiated another communication with Mr. Litzinger and restated his demand to meet with Mr. Craver. The two met later that day. President Peevey initiated a conversation about a UC contribution and Mr. Craver responded that he could not engage in a substantive conversation on that topic with President Peevey.²⁴

On June 18, 2014, President Peevey spoke with Ron Olson, an attorney at Munger, Tolles & Olson LLP and former member of the Boards of SCE and Edison

²² Id. ¶ 12.

²³ Id. ¶ 13.

²⁴ Id. ¶ 14.

International. In that conversation, Mr. Olson told Mr. Peevey that SCE could not engage in a substantive discussion of the topic of a UC contribution. On June 20, President Peevey and Mr. Olson again spoke by telephone and then met in person, and Mr. Olson reiterated that SCE could not engage in a discussion with President Peevey about President Peevey's request for a UC contribution.

IV. PRESIDENT PEEVEY'S IDEAS WERE MATERIALLY DIFFERENT FROM THE SETTLEMENT

The declarations of Messrs. Pickett and Litzinger establish that Mr. Pickett did not reach or attempt to reach any agreement to settle the OII with President Peevey. The settlement was negotiated among SCE, SDG&E, TURN and ORA.

The end-result proves the point: the parties' settlement is materially different from the ideas expressed by President Peevey and as reflected in the notes of the Warsaw meeting. Any settlement of the OII would necessarily have to address the four SONGS cost components (the replacement steam generator costs, the balance of plant investments, replacement power costs, and operations and maintenance costs), as well as litigation recoveries. But the treatment of those elements as outlined by President Peevey, compared to the settlement, is significantly different. For example:

Greenhouse Gas Research: The Warsaw notes reflect that SCE would donate \$10 million per year for 9 years, or \$90 million in total, to a "GHG, climate, or environmental

academic research fund, institution, etc.”²⁵ The proposed settlement executed on March 27, 2014 (“original settlement”) did not contain any provision for such research.²⁶

Non-RSG Investment: The notes reflect that remaining capital investments at SONGS, apart from the investment in the replacement steam generators (“RSGs”), would be recovered “w/ debt level return through 2022.”²⁷ This approach would have yielded a return of approximately 5.5% at then-authorized debt return. By contrast, the original settlement provides for return of such investment at a reduced rate of return, equal to an initial rate of approximately 2.6% for SCE.

Steam Generator Costs: The notes reflect that the investment in the RSG would be disallowed, but it is not clear as of what date.²⁸ The original settlement provides for disallowance of the RSG costs as of February 1, 2012.

NEIL Recoveries: The notes reflect that all recoveries from Nuclear Electric Insurance Limited (“NEIL”) would be provided to customers.²⁹ Under the original settlement, 82.5% of net recoveries from NEIL would be provided to customers. Under the amended settlement, 95% of net NEIL recoveries from the outage policy will be provided to customers .

²⁵ SCE’s Supplement to Late-Filed Notice of Ex Parte Communication (filed April 13, 2015), Exhibit A, p. 2, point 8. The document reflects that Mr. Pickett wrote \$5 million, and the figure was then crossed out (apparently by President Peevey) and “\$10” substituted.

²⁶ In response to the September 5, 2014 ruling, the settlement agreement was amended to include a provision for SCE and SDG&E to make contributions of \$5 million per year, or \$25 million total, for greenhouse gas research.

²⁷ SCE’s Supplement to Late-Filed Notice of Ex Parte Communication (filed April 13, 2015), Exhibit A, p. 1, point 1.

²⁸ SCE’s Supplement to Late-Filed Notice of Ex Parte Communication (filed April 13, 2015), Exhibit A, p. 1, point 2. Mr. Pickett’s summary created after his return from Poland state that RSG investment would be disallowed “entirely.”

²⁹ SCE’s Supplement to Late-Filed Notice of Ex Parte Communication (filed April 13, 2015), Exhibit A, p. 1, point 4.

MHI Recoveries: The notes reflect different approaches to allocating recoveries from Mitsubishi Heavy Industries (“MHI”). Mr. Pickett’s handwriting states: “1st to SCE to the extent of the disallowance, 2d to customers.”³⁰ This entry is annotated, apparently by President Peevey, with the notation “Next page.”³¹ The next page of the notes contains handwriting, again apparently written by President Peevey, which indicates that the first \$200 million in MHI recoveries would be split 50/50 between customers and shareholders; the next \$200 million would be split 70% shareholders, 30% customers; recoveries in excess of \$400 million up to the disallowance would be split 80% to shareholders, 20% to customers; and recoveries above the disallowance would be split 25% to shareholders, 75% to customers.³² The original settlement had a different sharing approach for net recoveries from MHI: the first \$100 million would be split 85% shareholders, 15% customers; recoveries between \$100 million and \$900 million would be split two-thirds to shareholders, one third to customers; and recoveries in excess of \$900 million would be split 25% to shareholders, 75% to customers.³³ The amended settlement took yet a different approach, splitting all net recoveries 50/50.

Decommissioning: The notes reflect that decommissioning costs would remain in rates throughout the decommissioning period.³⁴ The settlement does not address this point.

³⁰ SCE’s Supplement to Late-Filed Notice of Ex Parte Communication (filed April 13, 2015), Exhibit A, p. 1, point 5. Mr. Pickett’s summary created after his return states: “MHI recovery: to SCE to the extent of any disallowance, then to customers, with some as yet undefined incentive mechanism to encourage SCE to go after MHI to the maximum extent possible for as long as it takes (thinking about the energy crisis settlement as a model).”

³¹ Id.

³² Id., p. 2.

³³ These figures refer to SCE share; there was a similar, scaled approach for SDG&E.

³⁴ SCE’s Supplement to Late-Filed Notice of Ex Parte Communication (filed April 13, 2015), Exhibit A, p. 1, point 6.

O&M: The notes reflect that the utilities would recover authorized operations and maintenance (“O&M”) costs for six months past shutdown, including severance costs in an amount that appears to be \$50 million. The settlement permits the utilities to retain the lower of authorized or recorded costs in 2013. Because recorded costs were lower than authorized in 2013, the settlement results in a materially lower recovery of O&M than the notes.

V. CONCLUSION

SCE believes that the above response and accompanying documents are responsive to the Ruling. SCE remains prepared to cooperate fully with the Commission’s consideration of these matters.

Respectfully Submitted,

Date: April 29, 2015

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Appendix A Description of Document Search and Review Approach

1. SCE collected email and calendar entries from SCE email servers and archive files located for the following employees, which totaled approximately 2.06 million documents:

Robert Adler – General Counsel, Edison International (now retired)
Ted Craver – Chairman, President, and Chief Executive Officer, Edison International
Laura Genao – Director, Regulatory Affairs, SCE
Michael Hoover – Senior Director of State Energy Regulation, SCE
Ron Litzinger – President, SCE (now President of Edison Energy)
R.O. Nichols – Senior Vice President for Regulatory Affairs, SCE
Stephen Pickett – Executive Vice President, External Relations, SCE (now retired)
Gary Schoonyan – Director, Strategic Policy Analysis, SCE (now retired)
Jim Scilacci – Chief Financial Officer, Edison International
Les Starck – Senior Vice President Regulatory Policy & Affairs, SCE (now retired)
Bert Valdman – Senior Vice President, Strategic Planning, Edison International (no longer employed by EIX)
Gaddi Vasquez – Senior Vice President, Government Affairs, Edison International
Russ Worden – Director of External Relations, SCE

2. SCE first searched the electronic data from these employees to identify documents relating to SONGS or the SONGS OII. SCE used the following terms: *SONGS* OR "San Onofre" OR OII OR "Order Instituting Investigation" OR "12-10-013" OR (Order w/2 Investig*) OR Unit2* OR "Unit 2" OR "Unit-2" OR U2 OR "Unit Two" OR restart**. The “*” is a root expander or wildcard character, which captures any words beginning with the preceding characters. For example “restart*” will include “restart,” “restarted,” “restarting,” etc.

3. SCE then ran the following additional searches within this subset and within applicable date ranges:

a. The terms listed in paragraph 2 above, AND any email address from the email domains of *sce.com; edisonintl.com; edisoninternational.com; edisonint.com; edisonmission.com; sunedison.com; edisonenterprises.com* as a sender, on the one hand, and an email address from the email domain *cpuc.ca.gov* as a recipient, whether “to,” “cc” or “bcc,” on the other, and vice versa (i.e., email addresses from *cpuc.ca.gov* to, from, cc or bcc any of the Edison email domains just listed), OR

b. The terms listed in paragraph 2 above, WITHIN 25 (abbreviated as “w/25”) characters of (*speak* OR spoke* OR talk* OR met OR meet* OR see OR seeing OR saw OR email* OR "e-mail*" OR write OR writes OR written OR writing OR wrote OR call OR calls OR called OR calling OR messag* OR msg OR say OR says OR said OR updat* OR report* OR discuss* OR brief**), OR

c. The terms listed in paragraph 2 above, AND (*settle* OR resolv**), OR

- d. The terms listed in paragraph 2 above, AND (*Pickett**), OR
- e. The terms listed in paragraph 2 above, AND (*UC OR UCLA*).

4. In addition to the searches described in paragraphs 2 and 3 above, SCE ran a separate, special search for the terms listed in paragraph 2 above, AND the terms listed in paragraph 6a below, for the period 6/6/13 through 6/30/13, for a subset of employees likely to have had communications with the CPUC regarding the shutdown of SONGS. SCE also searched for specific calendar entries for a series of known and potential meetings with CPUC representatives.

5. An initial or “Level 1” review was then conducted on the review population (i.e., the population of documents that hit on the above searches) to identify documents that constitute or refer to a communication between SCE and the CPUC relating to settlement of the OII.

6. The measures described above returned much more than just documents that constitute or refer to communications between SCE and a CPUC decision maker relating to settlement of the OII, and hence returned a document set broader than the documents sought by the Ruling. SCE performed the additional search in “a.” below to identify documents, in the review population, that constituted or referred to communications with CPUC decision makers. To minimize the risk that the searches described above and Level 1 review could have missed potentially responsive communications, SCE also ran the same search against documents that the Level 1 review had not coded as involving a communication with the CPUC concerning settlement of the SONGS OII.

a. *Darling* OR Dudney* OR Florio* OR mfl* OR Peevey* OR mpl* OR mpeevey* OR Sandoval* OR (Alan w/3 Simon) OR Ferron* OR Picker* OR Peterman* OR Hecht* OR Morey* OR Poirier* OR Sepideh* OR Khosrowjah* OR Tisdale* OR Franz* OR Murtishaw* OR Stoddard* OR Schwartz* OR Lester* OR (Les w/3 Wong) OR Kersten* OR Ditas* OR Katague* OR “St. Marie” OR Bishu* OR Chatterjee* OR Rahmon* OR Momoh* OR Saine* OR Charlyn* OR Koss* OR Chaset* OR Hammond* OR Polodinsky* OR Fitch* OR Melicia* OR TerKeurst* OR Colvin* OR Kamins* OR Kalafut* OR Bawa* OR “cpuc.ca” OR “cpuc.gov” OR Carol OR (Matt w/3 Deal) OR (Matthew w/3 Deal) OR (Audrey w/3 Lee) OR (Brian w/3 Stevens) OR (Bill w/3 Johnston) OR (William w/3 Johnson) OR (Amy w/3 Baker).*

b. Those records were then subject to additional or “Level 2” review to identify documents that, in fact, constitute or refer to communications with CPUC decision makers relating to settlement of the SONGS OII, as sought by the CPUC Order.

7. Certain of the documents subject to Level 2 review refer only to on-the-record communications relating to settlement of the SONGS OII, such as pleadings filed in the SONGS OII. Such documents were excluded from the production set. Also excluded from the production set were duplicate documents and internal replies or forwards of responsive communications that contained no additional responsive information, as well as images (such as SCE’s logo and non-substantive email signatures) that the data processing software rendered as attachments to emails being produced.

8. Level 2 review also identified privileged communications, which were either redacted (if privileged in part) or withheld from production and logged (if determined to be privileged in their entirety). Consistent with paragraph 7, SCE excluded from its privilege log duplicate documents, internal replies or forwards of responsive but privileged communications that contain no additional responsive information, and non-substantive images rendered as attachments to emails.

9. In addition to searching electronic data, SCE reviewed hard copy documents, including handwritten notes, from two custodians who were found to maintain hard copy records relating to SONGS: Robert Adler and Megan Scott-Kakures. In addition, SCE reviewed hard copy documents received from Stephen Pickett.

10. SCE also conducted a targeted review of documents from Ron Olson, who spoke with President Peevey and also met with him in June 2014 relating to the SONGS OII. Responsive documents were reviewed, determined to be privileged, and logged.

11. SCE also conducted a targeted collection of documents from two individuals (Daniel Wood and Derek Matsushima) who, at outside counsel's direction, conducted financial analyses of various settlement scenarios relating to the SONGS OII. Because this work was conducted at the direction of counsel, it is privileged. Such documents are described categorically in the accompanying privilege log.

Appendix B
Chronology of Key Events Relating to SONGS Settlement

- 10/25/12** CPUC initiates SONGS OII.
- 3/26/13 President Peevey outlines ideas about costs which would be addressed in the event of a shutdown of SONGS. Mr. Pickett did not reach or attempt to reach any agreement, tentative or otherwise, with President Peevey about the OII.
- 4/1/13 Mr. Pickett briefs senior management on President Peevey communication. Mr. Pickett is reminded that he is not authorized to negotiate settlement. Mr. Pickett drafts a document summarizing the Peevey communication.
- 4/11/13 Mr. Litzinger meets with Mr. Pickett in person, reinforcing that Mr. Pickett is not authorized to negotiate any SONGS settlement. Mr. Pickett confirms the communication with President Peevey was one-way.
- 5/31/13 First conversation between SCE (Henry Weissmann) and TURN (Matt Freedman) regarding settlement.
- 6/7/13** SCE announces permanent shut-down of SONGS.
- 6/19/13 First settlement meeting between SCE (Mr. Weissmann) and TURN (Mr. Freedman).
- 9/23/13 First settlement meeting among SCE (Mr. Weissmann), San Diego Gas & Electric (“SDG&E”) (represented by Lee Schavrien), TURN (Mr. Freedman), and the Office of Ratepayer Advocates of the CPUC (“ORA”) (Mark Pocta and Greg Heiden). Many meetings and calls among these individuals (as well as ORA representative Ed Moldavsky) occur between June 19, 2013, and March 21, 2014, to discuss settlement. Mr. Pickett does not participate in those discussions, nor does President Peevey or any other CPUC decision maker.
- 11/30/13 Mr. Pickett retires.
- 3/20/14 SCE, SDG&E, TURN, and ORA serve a “Notice of Settlement Conference,” per CPUC Rule 12.1(b).
- 3/27/14** Settlement conference held and settlement signed by SCE, SDG&E, TURN, and ORA.

- 5/2/14 Meeting between President Peevey, Commissioner Florio, Mr. Litzinger (SCE), and Mr. Nichols (SCE) on preferred resources pilot. President Peevey initiates a communication about the OII settlement, asking SCE to add a contribution to the University of California (“UC”) for greenhouse gas research to the proposed settlement.
- 5/7/14 Mr. Litzinger contacts Commissioner Florio to communicate that SCE is considering filing an ex parte notice on the May 2, 2014, meeting, even though SONGS communication was one-way. Commissioner Florio initially communicates that he does not think it would be a problem for SCE to file an ex parte notice, but then calls Mr. Litzinger back after a discussion with Carol Brown and states no ex parte notice should be filed because SCE was in listening mode.
- 5/14/14 CPUC conducts evidentiary hearing on the proposed settlement. Prior to the hearing, President Peevey and Commissioner Florio ask to meet with Mr. Litzinger. President Peevey initiates a communication on the UC contribution. Mr. Litzinger states that he cannot engage in a substantive discussion on that topic.
- 6/5/14 President Peevey calls Mr. Litzinger on the UC contribution. Mr. Litzinger tells President Peevey that he cannot engage in a substantive discussion on that topic.
- 6/11/14 President Peevey calls Mr. Hoover to his office, raises UC contribution issue, and asks Mr. Hoover to deliver to Mr. Litzinger a handwritten letter attaching letters written by public officials that urge support for greenhouse gas research.
- 6/17/14 President Peevey attends a meeting at SCE on an unrelated subject. President Peevey asks to meet with Mr. Craver, and initiates communication on the UC contribution. Mr. Craver states that he cannot engage in a substantive discussion of that topic with President Peevey.
- 6/18/14 President Peevey speaks with Ron Olson of Munger, Tolles & Olson. Mr. Olson tells President Peevey that SCE cannot engage in a substantive discussion of the topic of a UC contribution.
- 6/20/14 President Peevey speaks with Mr. Olson in another telephone call and then meets with Mr. Olson in person. President Peevey initiates a communication on the UC contribution. Mr. Olson states that SCE cannot engage in a substantive discussion of that topic.
- 9/5/14 Assigned Commissioner and Administrative Law Judges issue Ruling Requesting Settling Parties To Adopt Modifications to Proposed Settlement Agreement.**
- 11/20/14 CPUC adopts D. 14-11-040, approving amended settlement agreement.**

Appendix C Description of Communications

In the interest of transparency, SCE submits this summary of communications between SCE and CPUC decision makers from October 25, 2012, through November 30, 2014.³⁵ This description is responsive to item 3 in the Ruling, which directs SCE to file notices of “any undisclosed communication identified in Question 1 above.”³⁶ SCE does not believe that there were any reportable ex parte communications. This summary describes two types of communications: (1) communications between SCE and CPUC decision makers regarding settlement, including one-way communications from CPUC decision makers to SCE and procedural communications about settlement, and (2) substantive (not procedural) communications from SCE to a CPUC decision maker pertaining to operational, reliability, and similar issues related to the SONGS outages, including issues that SCE believes were not within the scope of the OII. Consistent with SCE’s understanding of the intent of the ruling, this description includes, with respect to each of the foregoing two categories of communications, a summary of statements made by CPUC decision makers to SCE, as well as statements made by SCE to CPUC decision makers. On-the-record communications³⁷ and communications that SCE has previously reported in filed ex parte notices, are excluded from this summary.

This Appendix C includes but goes beyond the documents produced pursuant to items 1 and 2 of the Ruling, which are attached hereto as Appendix D. In addition to those documents, this Appendix C summarizes other communications that, while not themselves privileged, are

³⁵ The following description is not a verbatim account of the conversations.

³⁶ Ruling, p. 6.

³⁷ On-the-record communications includes leadings, public hearings, and emails to the service list.

referenced in privileged communications that appear on the privilege log, Appendix E. In each case, the descriptions are also based on recollections of SCE employees, where applicable.

SCE does not believe that the communications summarized below were reportable under Rule 8.4 of the CPUC's Rules of Practice and Procedure. For example, in SCE's view, courtesy calls to CPUC decision makers to alert them of public events (such as a news release announcing a decision to shut down SONGS), procedural communications about the conduct of a hearing, discussions about matters relating to SONGS but not within the scope of the OII as then delineated in the scoping memos (such as the status of restart or SCE's efforts to get Mitsubishi Heavy Industries ("MHI") to discuss a financial settlement with respect to the defective replacement steam generators), or a passing comment that does not rise to the level of substantive advocacy, were not reportable as ex parte communications under Rule 8.4.

Unfortunately, Rule 8.4 is ambiguous and requires interpretation. SCE submits that its interpretation and application of the rule has been consistent with the practice and understanding of parties who regularly appear before the CPUC and with direction given by CPUC decision makers. SCE welcomes the CPUC's initiative to revise its ex parte rules, so that their requirements are less ambiguous and better understood by all parties who practice before the CPUC.

1. On November 7, 2012, Robert Adler, General Counsel of Edison International, ran into President Peevey at the San Francisco Airport and they shared a ride into San Francisco. President Peevey asked about restart efforts at SONGS. Mr. Adler told President Peevey about the efforts SCE was making to restart Unit 2 and that he hoped the NRC would act expeditiously. In response to a comment from President Peevey about the challenges created by the outages, Mr. Adler stated that SCE was doing its best to navigate a path to be both safe and cost-effective.

2. On or about January 14, 2013, Ron Litzinger spoke with President Peevey, who requested an update on the Nuclear Regulatory Process affecting SONGS, which Mr. Litzinger provided. There was also a discussion of possible ways to expedite the OIL.

3. On February 7, 2013, Les Starck (then SCE's Senior Vice President Regulatory Policy & Affairs) forwarded a press release to Charlotte TerKeurst, advisor to Commissioner Ferron. The email is attached as Exhibit 1 to this Appendix. The email refers to a planned call from Ron Litzinger, then SCE President, to Commissioner Ferron to make him aware of the SCE press release, but because Mr. Starck had already contacted Ms. TerKeurst, Mr. Litzinger elected not to place a call to Commissioner Ferron.

4. On March 19, 2013, Commissioner Carla Peterman toured the SONGS facility, at her request. Then SONGS site Vice President Doug Bauder accompanied Commissioner Peterman on the tour. Commissioner Peterman's visit lasted approximately three hours. While SCE is unable to reconstruct precisely what topics were discussed, it is believed that the technical issues affecting Units 2 and 3 and station security were discussed. It is believed that there was no discussion regarding costs, prudence of SCE's actions with regard to the steam generator replacement project, or other issues within the scope of the OIL.

5. On March 22, 2013, Ron Litzinger contacted President Peevey, Commissioners Florio, Sandoval, and Ferron in separate phone calls to make them aware of SCE's press release announcing its intention to submit a license amendment request for SONGS to the NRC. Mr. Litzinger had a similar communication with Commissioner Peterman on March 25, 2013. All of these calls were brief. Also on March 22, Mike Hoover contacted Carol Brown, President Peevey's Chief of Staff, to provide a similar notification.

6. On April 5, 2013, Ted Craver, Chairman, President, and Chief Executive Officer of Edison International, sent an email to President Peevey forwarding the text of a letter to the editor of the *Wall Street Journal*, which mentions SCE's efforts to get SONGS back online by the summer. On the same date, Les Starck forwarded the same email to Commissioners Florio, Ferron, Sandoval, and Peterman. The emails are attached as Exhibit 2 to this Appendix.

7. On May 16, 2013, Ron Litzinger contacted President Peevey and Commissioners Florio and Peterman in separate telephone calls to provide an update concerning SONGS restart. The update discussed the Atomic Safety and Licensing Board's May 13, 2013, ruling on SONGS. Each phone call lasted approximately 10 minutes.

8. On May 17, 2013, Ron Litzinger contacted Commissioner Ferron via telephone to provide an update requested by Commissioner Ferron concerning SONGS restart. The update discussed the Atomic Safety and Licensing Board's May 13, 2013, ruling on SONGS. The phone call lasted approximately 10 minutes.

9. On May 29, 2013, Les Starck forwarded to each CPUC Commissioner via email an SCE press release regarding the release of letters pertaining to the design of the SONGS steam generators in response to allegations by Senator Boxer. In addition to attaching the May 28, 2013, press release, the accompanying communication notes "FYI" and briefly describes the attached release as regarding SONGS. The email is attached as Exhibit 3 to this Appendix.

10. On or about June 5, 2013, Ted Craver contacted President Peevey to notify him that SCE would be announcing its decision to permanently retire SONGS. There was no discussion of the substance of any settlement, though Mr. Craver stated that Robert Adler would

oversee SCE's efforts to negotiate a settlement of the OII. The call lasted approximately 5 minutes or less.

11. On or about June 7, 2013, Ron Litzinger spoke by telephone with Commissioners Florio, Peterman, Sandoval, and Ferron to notify them that SCE would be announcing its decision to permanently retire SONGS. Each of the calls was very brief.

12. On or about June 7, 2013, Mike Hoover, SCE Senior Director of State Energy Regulation, spoke by telephone with, or left voice-mail messages for, the chiefs of staff of each of the Commissioners to make them aware of SCE's public announcement of its decision to permanently retire SONGS. Sepideh Khosrowjeh, Commissioner Florio's Advisor, stated to Mr. Hoover that SCE should move quickly to resolve cost recovery and shutdown issues.

13. On or about June 7, 2013, Russ Worden contacted ALJ Melanie Darling to make her aware of SCE's public announcement of its decision to permanently retire SONGS. ALJ Darling stated that she understood that SCE was engaged in settlement discussions with the parties. Mr. Worden stated that SCE would strive to reach a settlement.

14. On or about June 26, 2013, Ron Litzinger and Commissioner Florio were in attendance at the oral argument in a proceeding relating to Chino Hills. Following the hearing, Mr. Litzinger provided a brief update on the status of SCE's bargaining efforts with respect to the severance of SONGS employees. The discussion lasted less than 5 minutes.

15. On or about August 9, 2013, Ron Litzinger contacted each of the Commissioners by telephone to notify them that SCE would be publishing an open letter in the *Los Angeles*

Times regarding the permanent retirement of SONGS and recovery of SONGS costs. Each of these calls was brief, no more than one or two minutes in duration.

16. On September 6, 2013, Ron Litzinger and Les Starck attended a public event in the City of Chino Hills with regard to the CPUC's decision to require the undergrounding of transmission lines in that city. Prior to the public event, Messrs. Litzinger and Starck had lunch with President Peevey. At the lunch, President Peevey initiated a brief communication about SONGS and the Energy Resource Recovery Account ("ERRA") proceeding. With regard to SONGS, President Peevey remarked that the utilities would either recover their capital, or their replacement power cost, but not both. Mr. Litzinger was uncomfortable discussing SONGS and, as a means of deflecting the topic, Mr. Litzinger said that the outcome would be somewhere in between those extremes. Mr. Litzinger's remark was not more than a sentence or two. President Peevey then asked about the status of settlement negotiations, and Mr. Litzinger responded that the settlement negotiations were progressing. In response to President Peevey's statement that the ERRA proceeding would not be resolved until the SONGS OII was resolved, Mr. Starck stated that the CPUC should issue a decision in the ERRA docket, as delay was resulting in a rapidly growing undercollection.

17. On November 15, 2013, Ted Craver attended a dinner meeting with CPUC President Mike Peevey. During the dinner, Mr. Craver briefly described SCE's efforts to get MHI to the table to discuss a financial settlement with respect to the defective replacement steam generators. Mr. Craver outlined SCE's efforts to secure letters of support from various federal elected officials for MHI to engage with SCE on the matter. On November 19, 2013, Mr. Craver followed-up on the meeting by email, in which he attached letters sent by members of the California congressional delegation to Ambassador Kennedy, United States Ambassador to

Japan, and Ambassador Froman, United States Trade Representative, encouraging MHI to engage with SCE to resolve financial responsibility for the failed SONGS steam generators. The email is attached as Exhibit 4 to this Appendix.

18. On or about February 24, 2014, SCE obtained information from President Peevey's office, who stated that they had heard that settlement talks had resumed and that the Phase 1 proposed decision would likely be held. The individuals involved in the communication cannot be determined at this time.

19. On or about March 27, 2014, Ron Litzinger spoke briefly by telephone with, or left messages for, each of the Commissioners. Mr. Litzinger made the Commissioners aware that SCE had signed a proposed settlement agreement and directed them to SCE's publicly filed 8-K for details. Mr. Litzinger sent a brief email to the same effect to Commissioner Picker. Commissioner Peterman sent Mr. Litzinger a text message acknowledging receipt of Mr. Litzinger's phone message. Also on March 27, 2014, Mike Hoover met with President Peevey and advisors to each Commissioner on topics unrelated to SONGS. In the course of that meeting, President Peevey complimented SCE for settling, and the advisors briefly indicated that the Commissioners were very pleased with the settlement.

20. On March 27, 2014, Henry Weissmann, an attorney at Munger, Tolles & Olson LLP, contacted ALJs Darling and Dudney via telephone concerning the procedure associated with potential settlement of the OII. ALJs Darling and Dudney communicated that the request for stay could be included in the motion for settlement approval and not as a separate motion. The conversation lasted less than five minutes.

21. On or about April 15, 2014, Henry Weissmann was contacted via telephone by ALJ Darling concerning her expectations for the May 13, 2014, evidentiary hearing on settlement of the OII. ALJ Darling stated that the CPUC required a more complete record concerning the financial aspects of the settlement and that a forthcoming written ruling would specify what additional evidence was required. The conversation lasted approximately five to ten minutes.

22. On April 21, 2014, Russ Worden was contacted via telephone by ALJ Darling to provide information to SCE as to the timing, location, and format of the OII settlement community meeting. ALJ Darling further communicated information about her expectations for the May 14, 2014, OII settlement evidentiary hearing and noted a forthcoming ruling that directed the settling parties to prepare a presentation, witness testimony, and a summary of the OII settlement.

23. On May 2, 2014, Ron Litzinger and R.O. Nichols, SCE Senior Vice President for Regulatory Affairs, met with President Peevey and Commissioner Florio at the Commission's Los Angeles office for the purpose of providing an update on SCE's preferred resources pilot that had been requested by the Commissioners. In the meeting, President Peevey stated he was pleased with the SONGS settlement. President Peevey added that Mr. Litzinger probably knew he had talked to Stephen Pickett in Poland. President Peevey waved a set of handwritten notes, but did not give the notes to Mr. Litzinger or Mr. Nichols to read. Mr. Litzinger said he was aware that a conversation took place but that Mr. Pickett was not authorized to speak on behalf of SCE. President Peevey then stated that the settlement was missing a provision to address the greenhouse gas impacts of the SONGS retirement, and he asked SCE to make a voluntary contribution to the University of California ("UC"), specifically UCLA, for greenhouse gas

research. President Peevey stated the contribution should total \$25 million over five years, with \$4 million a year coming from SCE and \$1 million a year coming from SDG&E. Mr. Litzinger told President Peevey that they would get back to him, and Mr. Nichols remained silent. The entire meeting lasted approximately 45 minutes; the portion of the meeting in which the SONGS settlement was raised lasted approximately ten minutes or less.

24. On May 7, 2014, Ron Litzinger contacted Commissioner Florio via telephone to discuss the possible filing of an ex parte notice in relation to the May 2, 2014, meeting. Commissioner Florio stated he agreed Mr. Litzinger and R.O. Nichols were in listening mode and did not say anything substantive regarding SONGS in the May 2 meeting. Commissioner Florio stated that he did not think it would be a problem for SCE nevertheless to file an ex parte notice, but that he wanted to check with President Peevey. This call lasted approximately five to ten minutes. Commissioner Florio then called Mr. Litzinger back and said he had spoken with Carol Brown and they had concluded SCE should not file an ex parte notice because SCE was in listening mode. Thereafter, Mr. Litzinger called Commissioner Florio and informed him that SCE had decided not to file an ex parte notice.

25. On May 14, 2104, Ron Litzinger met with President Peevey and Commissioner Florio at the Commission's San Francisco office. The meeting was initiated by President Peevey. President Peevey raised the issue of SCE making a contribution to UC for greenhouse gas research. Mr. Litzinger stated he could not engage in a substantive conversation on that topic. The meeting lasted approximately 15 minutes, approximately half of which was devoted to topics unrelated to the contribution for greenhouse gas research.

26. On May 28, 2014, Mike Hoover, SCE's Director of State Energy Regulation, spoke with President Peevey. The communication was initiated by President Peevey, who noted that he was not pleased with SCE's hesitance to contribute economic support to a California Center for Sustainable Communities at the UCLA program as part of the SONGS settlement. President Peevey also asked Mr. Hoover to communicate to SCE that the SONGS settlement was on a tight schedule and that he would hate to see it slip.

27. On June 5, 2014, President Peevey called Ron Litzinger and again raised the issue of SCE making a voluntary contribution to UC for greenhouse gas research. Mr. Litzinger again told President Peevey that he could not respond. President Peevey expressed frustration and demanded to meet with Ted Craver. The call lasted approximately five minutes or less.

28. On June 11, 2014, President Peevey called Mike Hoover to his office, raised the issue of SCE making a contribution to UC for greenhouse gas research, and asked Mr. Hoover to deliver to Ron Litzinger a handwritten letter from President Peevey attaching letters to the CPUC written by several public officials urging the CPUC to support greenhouse gas research. Mr. Hoover transmitted those materials to Mr. Litzinger that same day.

29. On June 17, 2014, President Peevey initiated a meeting with Ted Craver. President Peevey raised the issue of SCE making a voluntary contribution to UC for greenhouse gas research. Mr. Craver responded that he could not engage in a substantive conversation on that topic with President Peevey.

30. On June 18, 2014, President Peevey called Ron Olson, an attorney at Munger, Tolles & Olson LLP and former member of the Boards of SCE and Edison International, and

raised the issue of a UC contribution. Mr. Olson responded that SCE could not engage in a substantive conversation on that topic with President Peevey.

31. On June 20, 2014, President Peevey and Ron Olson again spoke by telephone and then met in person. Mr. Olson reiterated that SCE could not engage in a discussion with President Peevey about President Peevey's request for a UC contribution.

32. On or about August 28, 2014, Mike Hoover spoke with Carol Brown regarding the timing of the release of the OII proposed decision. Ms. Brown stated that the decision could come out within the week.

33. On or about September 2, 2014, Mike Hoover spoke with Carol Brown regarding the anticipated release of an Assigned Commissioners' Ruling regarding the pending OII settlement agreement. Ms. Brown initiated the conversation. Ms. Brown informed Mr. Hoover that among the changes requested by the ruling was a UC contribution and modification to the litigation outcome sharing provision. She also communicated that SCE's comment would be solicited on these proposed changes to the OII settlement.

Exhibits to Appendix C

Appendix D

Appendix E

SCE - Privilege Log (4/29/15) In Response to Administrative Law Judges' Ruling, Investigation 12-10-013									
Rpt#	Control#	Date	Record Type	Subject/File/Title [1]	Sender/Author/Custodian	To	CC	BCC	Priv Type
1	001_0.7.1538.1434234	04/08/13	Mail	Confidential - First Draft	russell worden/sce/eix;nsf;russell.worden@sce.com;s mtp	stephen e pickett/sce/eix@sce	megan scott-kakures/sce/eix@sce;benjamin hodges/sce/eix@sce;"rick peters" <peters.rick@petersconsulting.org>		AC/WP
2	001_0.7.1538.1434234.1	04/08/13	Attch	Draft – CONFIDENTIAL – Attorney/client privileged, Subject to CPUC settlement Rules – 12.6	Russell Worden				AC/WP
3	001_0.7.1538.1434267	04/08/13	Mail	*Confidential: Re: Re: Confidential - First Draft	russell worden/sce/eix;nsf;russell.worden@sce.com;s mtp	megan scott-kakures/sce/eix@sce			AC/WP
4	CTRL1736453	04/09/13	Paper	[Title redacted; addresses settlement]	"ADLER, BOB"	SONGS TUBE LEAK FILE			AC/WP
5	001_0.7.1476.1329394	04/09/13	Mail	CPUC Cost Recovery - PRIVILEGED AND CONFIDENTIAL	robert adler/sce/eix;nsf;robert.adler@edisonintl.com;s mtp	henry weissmann/sce/eix@sce			AC/WP
6	001_0.7.1476.1329394.2	04/09/13	Attch	[Title redacted; addresses settlement]	Bob Adler				AC/WP
7	001_0.7.1538.1433790	04/12/13	Mail	SEP Mark-Up - Confidential [document re settlement]	russell worden/sce/eix;nsf;russell.worden@sce.com;s mtp	stephen e pickett/sce/eix@sce	megan scott-kakures/sce/eix@sce;benjamin hodges/sce/eix@sce;"rick peters" <peters.rick@petersconsulting.org>		AC/WP
8	001_0.7.1538.1433790.1	04/12/13	Attch	Draft – CONFIDENTIAL – Attorney/client privileged, Subject to CPUC settlement Rules – 12.6	Russell Worden				AC/WP
9	001_0.7.1538.1433790.2	04/12/13	Attch	[Title redacted; addresses settlement]	Hodges, Benjamin D				AC/WP
10	001_0.7.1476.1337250	06/09/13	Mail	Re: Tomorrow [discussion with ALJ Darling]	russell worden/sce/eix;nsf;russell.worden@sce.com;s mtp	robert adler/sce/eix@sce			AC
11	001_0.7.1476.720717	02/24/14	Mail	Re: CEO Earnings Call Script	ronald litzinger/sce/eix;nsf;ron.litzinger@sce.com;smt p	ted craver/sce/eix@sce	jim scilacci/sce/eix@sce;robert adler/sce/eix@sce		AC
12	001_0.7.1476.727668	04/16/14	Mail	Re: Fwd: SONGS -- discovery issue [regarding CPUC communications] - privileged and confidential	ronald litzinger/sce/eix;nsf;ron.litzinger@sce.com;smt p	robert adler/sce/eix@sce	ted craver/sce/eix@sce		AC
13	001_0.7.1476.1393722	05/06/14	Mail	RE: Script [for Florio call]	"weissmann, henry" <henry.weissmann@mto.com>	"russell.swartz@sce.com" <russell.swartz@sce.com>	"robert.adler@edisonintl.com" <robert.adler@edisonintl.com>		AC
14	001_0.7.1476.1393722.1	05/06/14	Attch	IDOCs_23429847_2.DOC [script for Florio call]	Adler_Bob				AC
15	001_0.7.1476.1393723	05/06/14	Mail	RE: Script [for call for M. Florio]	robert adler/sce/eix;nsf;robert.adler@edisonintl.com;s mtp	"weissmann, henry" <henry.weissmann@mto.com>	"russell.swartz@sce.com" <russell.swartz@sce.com>		AC/WP
16	001_0.7.1476.1393723.1	05/06/14	Attch	IDOCs_23429847_2 (rla).doc [script for Florio call]	Adler_Bob				AC/WP
17	001_0.7.1476.1393725	05/06/14	Mail	RE: Script [for Florio call]	"weissmann, henry" <henry.weissmann@mto.com>	"robert.adler@edisonintl.com" <robert.adler@edisonintl.com>;"russell.swartz@sce.com" <russell.swartz@sce.com>			AC/WP
18	001_0.7.1476.1393725.1	05/06/14	Attch	IDOCs_23429847_3.DOC [script for Florio call]	Adler_Bob				AC/WP
19	001_0.7.1476.1393725.2	05/06/14	Attch	IDOCs_23433022_1.DOCX [for Florio call]	Adler_Bob				AC/WP
20	001_0.7.1476.611553	05/06/14	Mail	Fwd: Script [for call to M. Florio]	russell swartz/sce/eix;nsf;russell.swartz@sce.com;smt p	ronald litzinger/sce/eix@sce	robert adler/sce/eix@sce;"henry weissmann" <henry.weissmann@mto.com>		AC/WP
21	001_0.7.1476.611553.1	05/06/14	Attch	IDOCs_23429847_3.DOC [script for Florio call]	Adler_Bob; Litzinger_Ron; Swartz_Russell				AC/WP
22	001_0.7.1476.611553.2	05/06/14	Attch	IDOCs_23433022_1.DOCX [privileged draft document]	Adler_Bob; Litzinger_Ron; Swartz_Russell				AC/WP
23	001_0.7.1476.729939	05/07/14	Mail	Re: Fwd: Script [call with Florio]	ronald litzinger/sce/eix;nsf;ron.litzinger@sce.com;smt p	russell swartz/sce/eix@sce	"henry weissmann" <henry.weissmann@mto.com>;robert adler/sce/eix@sce		AC
24	001_0.7.1476.611284	05/10/14	Mail	Re: Fwd: Script [call with Florio]	ronald litzinger/sce/eix;nsf;ron.litzinger@sce.com;smt p	"henry weissmann" <henry.weissmann@mto.com>	russell swartz/sce/eix@sce;robert adler/sce/eix@sce		AC
25	001_0.7.1476.1400673	05/28/14	Mail	Privileged and confidential; attorney client privilege; attorney work product [action plan]	mark fabiani <markfabiani@me.com>	robert adler <robert.adler@edisonintl.com>;janet clayton <janet.clayton@edisonintl.com>			AC
26	001_0.7.1476.1400673.1	05/28/14	Attch	Proposed Action Plan v1.docx	Mark Fabiani				AC
27	001_0.7.1538.1002938	05/28/14	Mail	Fw: Peevey [legal advice re Peevey communications]	R.O. Nichols/SCE/EIX <r.o. nichols/sce/eix>	Russell Swartz/SCE/EIX <russell swartz/sce/eix@sce>	"robert.adler@edisonintl.com"		AC
28	001_0.7.1476.1400452	05/28/14	Mail	RE: Privileged and confidential; attorney client privilege; attorney work product [drafts of attached documents]	"weissmann, henry" <henry.weissmann@mto.com>	<robert.adler@edisonintl.com>;mark fabiani <markfabiani@me.com>;janet clayton <janet.clayton@edisonintl.com>			AC/WP
29	001_0.7.1476.1400452.1	05/28/14	Attch	IDOCs_23586376_1.RTF [privileged talking points]	Adler_Bob				AC/WP
30	001_0.7.1476.1400452.2	05/28/14	Attch	IDOCs_23588861_1.DOCX [action plan]	Adler_Bob				AC/WP
31	001_0.7.1538.1002971	05/28/14	Mail	Re: Peevey [legal advice re Peevey communications]	R.O. Nichols/SCE/EIX <r.o. nichols/sce/eix>	Russell Swartz/SCE/EIX <russell swartz/sce/eix@sce>			AC

Rpt#	Control#	Date	Record Type	Subject/File/Title [1]	Sender/Author/Custodian	To	CC	BCC	Priv Type
32	001_0.7.1476.1400492	05/28/14	Mail	RE: Privileged and confidential; attorney client privilege; attorney work product [drafts of attached documents]	robert adler/sce/eix;nsf;robert.adler@edisonintl.com;mtp	"weissmann, henry" <henry.weissmann@mto.com>	janet clayton <janet.clayton@edisonintl.com>;mark fabiani <markfabiani@me.com>	robert adler/sce/eix	AC/WP
33	001_0.7.1476.1400492.1	05/28/14	Attch	IDOCs_23586376_1.RTF [talking points]	Adler_Bob				AC/WP
34	001_0.7.1476.1400492.2	05/28/14	Attch	IDOCs_23588861_1.DOCX [action plan]	Adler_Bob				AC/WP
35	001_0.7.1476.1401671	06/11/14	Mail	Re: [legal advice re] Peevey	robert adler/sce/eix;nsf;robert.adler@edisonintl.com;mtp	russell swartz/sce/eix@sce	ronald litzinger/sce/eix@sce	robert adler/sce/eix	AC
36	001_0.7.1476.1403959	06/17/14	Mail	Peevey [talking points for R. Olson-M. Peevey call]	"weissmann, henry" <henry.weissmann@mto.com>	"olson, ronald" <ron.olson@mto.com>;"robert.adler@edisonintl.com" <robert.adler@edisonintl.com>	"poirier, beverly" <beverly.poirier@mto.com>		AC/WP
37	001_0.7.1476.1403959.1	06/17/14	Attch	IDOCs_23745464_1 (2).DOC [talking points]	Adler_Bob				AC/WP
38	001_0.7.1476.1403963	06/17/14	Mail	Re: Peevey [talking points]	robert adler/sce/eix;nsf;robert.adler@edisonintl.com;mtp	"weissmann, henry" <henry.weissmann@mto.com>	"poirier, beverly" <beverly.poirier@mto.com>;"olson, ronald" <ron.olson@mto.com>	robert adler/sce/eix@sce	AC/WP
39	001_0.7.1476.1403963.1	06/17/14	Attch	IDOCs_23745464_1 (2).DOC [talking points]	Adler_Bob				AC/WP
40	001_0.7.1476.1403980	06/17/14	Mail	Re: Peevey [talking points]	robert adler/sce/eix;nsf;robert.adler@edisonintl.com;mtp	"weissmann, henry" <henry.weissmann@mto.com>		robert adler/sce/eix	AC/WP
41	001_0.7.1476.1403988	06/17/14	Mail	RE: Peevey [talking points]	"weissmann, henry" <henry.weissmann@mto.com>	"olson, ronald" <ron.olson@mto.com>	"poirier, beverly" <beverly.poirier@mto.com>;"robert.adler@edisonintl.com" <robert.adler@edisonintl.com>		AC/WP
42	001_0.7.1476.1403988.1	06/17/14	Attch	IDOCs_23745464_2.DOC [talking points]	Adler_Bob				AC
43	001_0.7.1538.1084230	08/28/14	Mail	Re: SONGS PD [and M. Hoover -C. Brown]	Russell Swartz <russell.swartz@sce.com>	Weissmann, Henry <henry.weissmann@mto.com>	Robert.Adler@edisonintl.com <robert.adler@edisonintl.com>		AC/WP
44	001_0.7.1476.1414151	09/03/14	Mail	RE: SONGS [re ruling]	"weissmann, henry" <henry.weissmann@mto.com>	"robert.adler@edisonintl.com" <robert.adler@edisonintl.com>			AC/WP
45	3238-SP010_000010.000121.0001	undated	Paper	[handwritten notes re UC contribution]	Adler_Bob				AC/WP
46	3238-SP010_000010.000122.0001	undated	Paper	[handwritten notes re SONGS settlement discussions]	Adler_Bob				AC/WP
47	3238-SP010_000010.000123.0001	06/06/14	Paper	Report on June 5, 2014 telephone conversation [with M. Peevey]	Ron Litzinger	Robert Adler and Russ Swartz			AC
48	3238-SP014_000014.000137.0001	undated	Paper	[Page from Pickett Diary re legal advice on Peevey communication]	Pickett_Steve				AC/WP
49	3238-SP015_000015.000138.0001	06/18/14	File	[R. Olson Call Log Sheets June 2014 including calls with M. Peevey]	Olson_Ron				AC/WP
50	3238-SP015_000015.000139.0001	undated	Paper	RLO Notes Edison, Adler, Peevey June 2014.pdf	Olson_Ron				AC/WP
51	3238-SP015_000015.000140.0001	06/17/14	File	[R. Olson diary and work record – call with R Adler]	Olson_Ron				AC/WP
52	misc.	misc.	Files	Financial analyses prepared by at the direction of SCE's outside counsel (Munger, Tolles & Olson LLP), of various settlement scenarios relating to the SONGS OII.	Daniel Wood (SCE) and Derek Matsushima (SCE)	misc., including Henry Weissmann (MTO)	misc.		AC/WP
53	[1] Note: Descriptions in "Subject/File/Title" column are from face of document/file; bracketed words are manual supplements to provide additional descriptive information and preserve applicable privileges.								
52	52	52	52	52	52	51	51	52	52

Appendix F

DECLARATION OF STEPHEN PICKETT

I, Stephen Pickett, do hereby declare as follows:

1. I retired from Southern California Edison (“SCE”) on November 30, 2013, after working thirty-five years for the company. I held many positions at SCE over time, including General Counsel of SCE. As of March 2013 and until my retirement, I was Executive Vice President of External Relations.

2. In March 2013, I traveled to Poland as part of a study tour organized by the California Foundation on the Environment and Economy (“CFEE”). Approximately twenty to thirty individuals took part in this CFEE study tour. Michael Peevey, who at the time was the President of the California Public Utilities Commission (“CPUC” or the “Commission”), was one of those individuals. No other SCE employees traveled to Poland with the CFEE group.

3. Prior to my departure to Poland, President Peevey asked SCE for a briefing about the status of its efforts to restart SONGS, and SCE management assigned me the task of updating President Peevey on this issue at some point during the Poland trip. I did not expect to discuss settlement of the SONGS Order Instituting Investigation (“OII”), or a resolution of any of the issues in the OII, with President Peevey in Poland. I did not have any settlement authority from SCE, and I did not reach or attempt to reach any agreement, tentative or otherwise, with President Peevey about the SONGS OII.

4. On March 26, 2013, I met with President Peevey for approximately half an hour in the Bristol Hotel in Warsaw, Poland, in order to give President Peevey the update about SCE’s efforts to restart SONGS. My recollection is that Ed Randolph, Director of the Energy Division at the CPUC, was also present for some or all of the meeting.

5. I provided President Peevey with an update about the status of SCE’s efforts to restart SONGS, including SCE’s efforts with the Nuclear Regulatory Commission (“NRC”) to get approval to restart SONGS Unit 2. I told President Peevey that it appeared that the NRC was going down the path of requiring a license amendment in order to restart SONGS. I indicated that if the NRC required a license amendment that could result in a significant delay before SCE could restart Unit 2.

6. President Peevey expressed concern that such a delay in the restart of SONGS would potentially have a negative impact on the power grid and SCE’s ability to serve its customers in the summer of 2013. He noted that the CPUC and possibly other government agencies would have to continue the efforts they had undertaken in the summer of 2012 to help avoid this possibility. I recall President Peevey noting that at some point SCE would have to consider the possibility of permanently shutting down SONGS. I agreed that was a possibility, but noted that SCE was still continuing to make every effort possible to restart SONGS.

7. President Peevey pursued his line of thought about a possible permanent shut down of SONGS and began to consider the many ramifications if SONGS were to be shut down, noting that it would be a long and difficult proceeding before the Commission. He stated his views on how to resolve some of these issues, including the various areas of costs that would

have to be addressed, referring at times to how the CPUC had dealt with these issues in the past, including in the resolution of the SONGS 1 shutdown, the PG&E bankruptcy proceeding, and the SCE energy crisis settlement.

8. President Peevey's comments on these issues were stated in broad terms. I recall that he made a statement to the effect that the cost of the replacement steam generators ("RSGs") should be written off, and the remaining investment recovered in a manner similar to SONGS 1. I was familiar with the SONGS 1 settlement, and I understood that comment to mean that SCE would recover the non-RSG investment with a rate of return on the entire undepreciated balance equal to its authorized cost of debt. President Peevey did not address this issue more specifically. I do not recall him mentioning, for example, certain other specific categories of investment of which I was aware, such as the recovery of construction work in progress and nuclear fuel.

9. With regard to operations and maintenance ("O&M") costs, I recall President Peevey stating that employees should be treated fairly and receive reasonable severance payments. He stated that O&M expenses had already been approved in SCE's general rate cases. I also recall him stating that the amounts authorized in the general rate case for SONGS O&M could continue through a future shut-down date plus another period of time of about 6 months. I also recall President Peevey saying that he wanted to address the greenhouse gas impacts of the shutdown of SONGS. He mentioned a charitable contribution for greenhouse gas research as a possible way to address this issue.

10. I did not understand President Peevey's comments to be a directive on how a settlement should be structured, nor did they appear to me to reflect a prejudgment as to the outcome of the OII. Instead, I understood them as President Peevey's general thoughts on how, based on prior commission decisions, he thought the cost responsibility for SONGS might ultimately be sorted out.

11. At some point well into the meeting, I obtained a pad of paper from the hotel and began taking notes in an effort to organize President Peevey's comments for my own benefit. As noted, President Peevey's remarks were quite general, and my notes reflect my interpretation of President Peevey's statements. My notes are not a verbatim record of President Peevey's comments, do not reflect the order of the conversation, and were not a term sheet. I do not know if President Peevey agreed with my characterization of his comments. At some point near the end of the meeting, President Peevey asked me to give him the notes, and he wrote on the notes. I did not see what he wrote. President Peevey kept the notes after the meeting.

12. I did not engage in settlement negotiations with President Peevey. President Peevey made it clear, however, that in the event of a permanent shutdown of SONGS he thought it would be best for SCE to engage in settlement negotiations with appropriate consumer groups and other interested parties, and bring a settlement proposal to the CPUC for consideration. President Peevey specifically mentioned John Geesman, who represents the Alliance for Nuclear Responsibility, as one possible party. I did not understand President Peevey's comments on cost responsibility, as outlined above, to constitute a direction to SCE to settle on those terms.

13. The substance of the communication about the resolution of the issues involved if SONGS were to shutdown was, in the main, from President Peevey to me. To the best of my recollection, I did not react or respond to President Peevey's comments, with one exception: at one point, President Peevey stated that there should be a disallowance of both replacement power costs and replacement steam generator investment costs. I do not recall exactly what I said in response, but I believe I very briefly expressed disagreement. I did not consider my reaction to have risen to the level of a substantive communication to President Peevey.

14. After this meeting with President Peevey, I went to dinner with the CFEE group. There was no discussion about SONGS at that dinner.

15. On March 27, 2013, I attended another dinner with the CFEE group. President Peevey was also in attendance. I believe President Peevey may have mentioned SONGS during the dinner, but I do not recall anything of substance relating to the SONGS OII being discussed. To the best of my recollection, settlement of the OII was not mentioned.

16. When I returned to the United States, I briefed senior executives on April 1, 2013, about what President Peevey had said to me about SONGS in Poland. These executives were SCE President Ron Litzinger, Edison International CEO Ted Craver, Edison International CFO Jim Scilacci, and Edison International General Counsel Robert Adler. At some point during the meeting, the issue was raised of whether my meeting with President Peevey constituted a reportable ex parte communication. I did not believe it was reportable, based on my general understanding of the ex parte rules. After the April 1 meeting I consulted with SCE's counsel on the ex parte reporting issue, and no ex parte notice was filed at that time.

17. After my meeting with the executives, I summarized the points raised by President Peevey in a document that I titled "Elements of a SONGS Deal," which I sent to the executives whom I had briefed that day. The title of the document was not meant to convey that I had entered into any "deal" with President Peevey. Rather, the document reflected President Peevey's comments about the framework of a possible resolution of SONGS issues with parties to the OII. The document was intended to be an internal outline that could serve as a basis for discussing a potential settlement in a deal with consumer and other groups should SCE's efforts to restart SONGS prove unsuccessful. I also asked several SCE employees to take these ideas and work on them further.

18. After the trip to Poland, I did not speak with President Peevey about a SONGS settlement, nor did I speak with any other CPUC decision maker regarding a SONGS settlement, prior to its being publicly announced. I have seen and spoken to President Peevey a number of times at social and other occasions since the Poland trip. However, the only other communication I had with President Peevey or any other CPUC decision maker about settlement of the OII was at a social dinner with President Peevey and others in the summer of 2014, in which President Peevey made a passing comment to the effect that he liked the settlement (which had by that time been filed with the Commission), but that an element was missing – specifically something to address greenhouse gas issues – and he was going to work to get it added. I did not respond to President Peevey's comment on the SONGS settlement. I was retired from SCE at that point. I did not convey President Peevey's comment to anyone at SCE.

19. I was not a part of the group of executives who oversaw settlement discussions relating to the SONGS OII. I understand that Edison International General Counsel Robert Adler oversaw those settlement negotiations. I was not involved in, and do not have any knowledge about, the settlement discussions that eventually resulted in the SONGS settlement.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at La Cañada, California on April 28, 2015.



Stephen Pickett

Appendix G

DECLARATION OF RONALD L. LITZINGER

I, Ronald L. Litzinger, do hereby declare as follows:

1. I am President of Edison Energy. I joined Southern California Edison ("SCE") as an engineer in 1987, and over the years held various positions at SCE, Edison Mission Energy and Edison International. From January 2011 until the end of September 2014, I was President of SCE.

2. In March 2013, I was aware that Stephen Pickett, who was then Executive Vice President of External Relations at SCE, was traveling to Poland on a study tour organized by the California Foundation on the Environment and Economy ("CFEE"). I was also aware that Michael Peevey, who was then President of the California Public Utilities Commission ("CPUC" or the "Commission"), would be on the trip as well. Mr. Pickett informed me that President Peevey may ask for a briefing on the status of SCE's efforts to restart SONGS Unit 2, including SCE's efforts to obtain the Nuclear Regulatory Commission's approval to restart Unit 2, given concerns about system reliability during the summer of 2013. I agreed he could provide that briefing during the CFEE trip.

3. I did not expect that any other topic relating to SONGS would arise in this meeting, and I specifically did not expect that there would be any discussion between President Peevey and Mr. Pickett about a settlement of the SONGS Order Instituting Investigation ("OII"). Mr. Pickett was not given any authority to engage in any discussions with President Peevey about settlement of the OII. Moreover, SCE could not have and would not have negotiated a settlement of the SONGS OII with President Peevey. I understood at the time that if SCE decided to negotiate a settlement, it would have had to negotiate with one or more of the non-respondent parties to the SONGS OII and present the settlement to the Commission for approval.

4. On April 1, 2013, after he returned from Poland, Mr. Pickett reported to me, Edison International CEO Ted Craver, Edison International CFO Jim Scilacci, and Edison International General Counsel Robert Adler about what President Peevey had said about SONGS. Mr. Pickett reported that the communication was one-way: President Peevey was talking to Mr. Pickett about a framework for a possible resolution of the SONGS OII. I was concerned about Mr. Pickett's report for a number of reasons. Foremost among these reasons was that President Peevey's comments were premised on the assumption that SCE would permanently shut down SONGS. At this time, however, SCE was actively pursuing approval from the Nuclear Regulatory Commission to restart Unit 2. I believed that it was damaging and counterproductive to entertain President Peevey's ideas while SCE was pursuing restart. Another reason I was concerned was that SCE had not designated, and would not designate, Mr. Pickett as its representative to discuss settlement. Following the meeting, I told Mr. Pickett that he was not authorized to negotiate a settlement for SCE and that SCE was in "listen-only" mode.

5. I met with Mr. Pickett again on April 11, 2013, and Mr. Pickett confirmed that the meeting in Poland was a one-way communication in which President Peevey communicated to Mr. Pickett, and Mr. Pickett did not communicate anything of substance to President Peevey regarding resolution of the SONGS OII. I also reinforced the message that Mr. Pickett was not authorized to negotiate any SONGS settlement.

6. SCE announced the decision to shut down SONGS on June 7, 2013, and negotiations to settle the SONGS OII began around that time. I was part of the small group of executives that oversaw the SONGS settlement negotiations. Mr. Pickett was not part of that group and was not involved in the settlement negotiations. Edison International General Counsel Robert Adler was the executive with overall responsibility for overseeing the negotiations. SCE negotiated the SONGS settlement with San Diego Gas & Electric Co. ("SDG&E"), The Utility Reform Network, and the Office of Ratepayer Advocates. The SONGS settlement negotiated among those parties was signed on March 27, 2014.

7. While the settlement negotiations were ongoing, President Peevey would occasionally initiate an inquiry about the status of the negotiations. He made these inquiries at events and other meetings on unrelated topics. My response was always the same: I stated only that settlement negotiations were progressing. I did not describe anything that was being discussed in those negotiations, nor did I identify the parties who were negotiating.

8. On May 2, 2014, R.O. Nichols, SCE's Senior Vice President for Regulatory Affairs, and I had a meeting with President Peevey and Commissioner Florio for the purpose of providing an update on SCE's preferred resources pilot. In the meeting, President Peevey stated he was pleased with the SONGS settlement. President Peevey stated that I probably knew he had talked to Mr. Pickett in Poland. President Peevey waved a set of handwritten notes, but did not give me the notes to read. I said I was aware that a conversation took place but that Mr. Pickett was not authorized to speak on behalf of SCE. President Peevey told me that the settlement was missing a provision to address the greenhouse gas impacts of the SONGS retirement, and he asked SCE to make a voluntary contribution to the University of California ("UC"), specifically UCLA, for greenhouse gas research. President Peevey stated the contribution should total \$25 million over five years, with \$4 million a year coming from SCE and \$1 million a year coming from SDG&E.

9. My recollection is that, to avoid engaging on the topic, I told President Peevey that we would get back to him. I made a point not to respond to President Peevey's suggestion that the settlement should include a contribution to the UC. To the best of my recollection, Mr. Nichols remained silent.

10. After this meeting, I called Commissioner Florio and said that, even though the substantive communication about SONGS at the May 2 meeting was one-way (from President Peevey to Mr. Nichols and me), SCE was considering filing an ex parte notice. I recall Commissioner Florio stating he agreed Mr. Nichols and I were in listening mode and did not say anything substantive regarding SONGS in the May 2 meeting. Commissioner Florio stated that he did not think it would be a problem for SCE nevertheless to file an ex parte notice, but that he wanted to check with President Peevey. Commissioner Florio then called me back and said he had spoken with Carol Brown, President Peevey's Chief of Staff, and they had concluded SCE should not file an ex parte notice because the company was in listening mode. Following that call, SCE concluded that an ex parte notice was not required, and I informed Commissioner Florio of SCE's decision not to file a notice.

11. On May 14, 2014, the Commission held an evidentiary hearing regarding the proposed SONGS settlement. Before the hearing began, President Peevey asked to meet with

me. I went to his office and met with him. Commissioner Florio was also present. During the meeting, which involved non-SONGS topics as well, President Peevey raised the issue of SCE making a contribution to UC for greenhouse gas research. I stated I could not engage in a substantive conversation on that topic.

12. After May 14, 2014, hearing I received several calls on my cell phone from President Peevey but did not take the calls and speak with him. I finally spoke to President Peevey on the phone on June 5, 2014. President Peevey again raised the issue of SCE making a voluntary contribution to UC for greenhouse gas research. I again told President Peevey that I could not respond. President Peevey stated that he was getting nowhere with me. President Peevey expressed frustration and demanded to meet with Mr. Craver.

13. On June 11, 2014, I received from Mike Hoover, SCE's Director of State Energy Regulation, a handwritten letter from President Peevey attaching letters written by public officials to the CPUC urging the CPUC to support greenhouse gas research. I understand from Mr. Hoover that President Peevey had called Mr. Hoover to his office, raised the issue of SCE making a contribution to UC for greenhouse gas research, and asked Mr. Hoover to deliver the letters to me. I also received additional letters via U.S. mail from other officials in the following weeks.

14. On June 17, 2014, President Peevey was part of a group of 20-25 people who attended a meeting at SCE organized by the Coalition for Environmental Protection, Restoration and Development; the meeting concerned electric system needs relating to goods movement and transportation usage, and was unrelated to SONGS. During a break in the meeting, President Peevey restated his demand to meet Mr. Craver. I understand that President Peevey met with Mr. Craver that day. Mr. Craver has told me that President Peevey initiated a conversation about a UC contribution and that Mr. Craver responded that, on advice of counsel, he could not engage in a substantive conversation on that topic with President Peevey.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Rosemead, California on April 29, 2015.


Ronald L. Litzinger