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NEWS

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# San Onofre Nuclear Plant Settlement Fair, Properly Negotiated, in Public Interest

ROSEMEAD, Calif., April 17, 2015 — Southern California Edison (SCE) affirmed today that the San Onofre nuclear plant settlement approved by the California Public Utilities Commission (CPUC) is fair and reasonable, was properly negotiated and is in the public interest.

SCE responded to statements issued today by the Office of Ratepayer Advocates (ORA) and The Utility Reform Network (TURN). Both ORA and TURN are parties to the San Onofre settlement. Neither ORA nor TURN withdrew from the settlement or called for the CPUC to reopen the settlement; in fact, ORA specifically states that "to simply invalidate" the settlement could lead to "an outcome that may be worse than the settlement."

Both parties, however, call for the CPUC to impose penalties on SCE in connection with a previously disclosed March 2013 communication between then-CPUC President Michael Peevey and then-SCE executive Stephen Pickett. In that communication, which Peevey initiated, Peevey expressed his views about the framework for a possible resolution of the CPUC's proceedings on the San Onofre outages that he would consider acceptable but that would nonetheless require agreement among at least some of the parties and presentation to and approval of such agreement by the full commission.

SCE disagrees with ORA's statement that Peevey's communication to Pickett gave SCE an advantage in the settlement negotiations. ORA was an active, fully-engaged party to the settlement negotiations, and reached its own conclusions as to the substantial value that the settlement would provide to customers (value that its own statement of today confirms).

In addition, TURN's statement contradicts ORA's. TURN states that it decided to settle based on its independently developed positions and its belief that a litigated outcome would likely have been much worse for customers. TURN reaffirms its view that the settlement was favorable to customers given CPUC precedent. TURN also states that, in April 2014, Peevey told TURN about the Peevey-Pickett meeting, but despite that disclosure. TURN continued to support the settlement.

ORA and TURN jointly issued a "comparative analysis" showing that the settlement negotiated by the parties was significantly different — and significantly more favorable to ratepayers — than the framework outlined by Peevey. The fact that ORA and TURN were able to negotiate a substantially better deal for ratepayers than the Peevey framework shows that Peevey's communication to Pickett did not put ORA and TURN at a disadvantage in the settlement negotiations.

SCE also disagrees with ORA's and TURN's statements that the CPUC should penalize SCE for the Peevey-Pickett communication, and particularly disagrees with ORA's recommendation that the penalty amount be set at $648 million. The CPUC has a pending proceeding to determine whether SCE has violated CPUC rules and, if so, the appropriate sanction, and SCE will participate fully in that proceeding.

SCE announced in June 2013 that it would retire San Onofre Units 2 and 3, and begin preparations to decommission the facility. SCE has established core principles of safety, stewardship and engagement to guide decommissioning. For more information about SCE, visit www.songscommunity.com.

**About Southern California Edison**

An Edison International (NYSE:EIX) company, Southern California Edison is one of the nation's largest electric utilities, serving a population of nearly 14 million via 4.9 million customer accounts in a 50,000-square-mile service area within Central, Coastal and Southern California.

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