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Ron Litzinger
President

September 30, 2013

Mr. Shigero Masamori
Executive Vice President
Head of Nuclear Energy Systems
16-5 Konan 2-chome,
Minato-ku, Tokyo
108-8215 Japan

Dear Masamori-san:

I am writing to you directly to repeat our prior demands that Mitsubishi Nuclear Energy Systems, Inc. and Mitsubishi Heavy Industries (together, Mitsubishi) agree to undergo a contractually mandated audit of Mitsubishi's design and manufacture of Replacement Steam Generators (RSGs) for the San Onofre Nuclear Generating Station (SONGS). Southern California Edison officials and lawyers have made this request on at least three prior occasions, but Mitsubishi has steadfastly refused to date to submit to this audit. I am appealing to you directly because Mitsubishi's repeated refusal to agree to such an audit is harmful to the public, regulators, and our entire industry, as it hinders efforts to understand and learn from the RSGs' failures.

The contractual language requiring Mitsubishi to undergo this audit could not be clearer in my view: Section 1.9.6 of the contract gives SCE the right to "examine and copy" Mitsubishi's "books, accounts, relevant correspondence, specifications, time cards, drawings, designs, and other documentation, to the extent that these are related and relevant to the Work under the Purchase Order[.]" Mitsubishi's unjustified interpretation of these words as limited only to financial information necessary to support invoices is disappointing, and will only confirm the suspicion that Mitsubishi refuses to be transparent.

Mitsubishi has no justification for refusing to abide by the clear terms of the contract. Its failure to submit to an audit prevents SCE, its co-owners and other stakeholders from obtaining key information necessary to evaluate the RSGs' failure. This has become even more important following the NRC's September 20th reports' reference to internal Mitsubishi consultant materials expressing concerns about Mitsubishi's FIT-III computer model.

SCE stands ready to begin the audit as soon as Mitsubishi advises that it will abide by the straightforward terms of the contract. I look forward to your prompt reply.

Sincerely,

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