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November 8, 2012

SENT ELECTRONICALLY

Response Required YES

Dr. Hitoshi Kaguchi
Director, MHI Steam Generator Repair Site Team
Mitsubishi Nuclear Energy Systems, Inc.
c/o San Onofre Nuclear Generating Station
14300 Mesa Road (G55-SGR)
San Clemente, CA 92672

**San Onofre Nuclear Generating Station
Steam Generator Repair Project
Minimum Warranty Conditions for Repair**

References:

1. Contract 4500024051

Dr. Kaguchi:

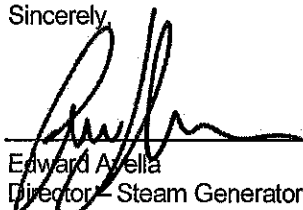
The intent of this letter is to provide Mitsubishi Heavy Industries, Inc. (MHI) with Southern California Edison's (SCE) definition of an acceptable warranty condition for long term repair of the San Onofre Nuclear Generating Station (SONGS) steam generators. MHI requested this information formally, which was provided in several meetings since July 27, 2012. The remedy provided by MHI shall address the following as delineated in the SCE Specification S023-617-01:

1. Resolution of thermal hydraulic conditions such that SONGS can operate at all power levels without undue tube vibration or unacceptable wear,
2. Restoration of the design to ensure a thermal capacity of each steam generator of at least 1729 MWt,
3. Restoration of the full life of the steam generator components to forty years,
4. Restoration of the tube plugging margin to less than 8% at End of Life.

MHI will be required to demonstrate the restoration of tube plugging margin against industry benchmarking and operating experience.

SCE will continue to work with MHI on the development of an acceptable permanent (and interim if required) remedy and provides the above as a target based on current conditions. Should you have any questions or would care to discuss this issue further, please do not hesitate to contact John Manso at 949-368-2813 or Mike Moran at 949-368-2720 or myself at 949-368-2030.

Sincerely,



Edward Avella
Director - Steam Generator Repair (SGR) Project

EA/ca

cc: M.Moran (SCE), M.Anderson (SCE), D.Wood (SCE), J.Manso (SCE), Y.Kao (SCE), G.Ward (SCE),
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