

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



June 1, 2009

**Advice Letter 2301-E**

Akbar Jazayeri  
Vice President, Regulatory Operations  
Southern California Edison Company  
P O Box 800  
Rosemead, CA 91770

**Subject: Amendment of the Southern California Edison Company  
Qualified and Nonqualified Nuclear Decommissioning  
Trust Agreements to Reflect New Trustee Fee Schedule**

Dear Mr. Jazayeri:

Advice Letter 2301-E is effective May 21, 2009.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division

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December 22, 2008

**ADVICE 2301-E**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Amendment of the Southern California Edison Company  
Qualified and Nonqualified Nuclear Decommissioning Trust  
Agreements to Reflect New Trustee Fee Schedule

Southern California Edison Company (SCE), on behalf of its Nuclear Facilities Decommissioning Master Trust Committee (Committee), hereby submits Amendment No. 2 of both the Qualified and Nonqualified Decommissioning Trust Agreements (the "Amendments")<sup>1</sup> for approval pursuant to Section 2.12 of the Qualified Trust Agreement and Section 2.10 of the Nonqualified Trust Agreement.

**PURPOSE**

This advice filing requests the California Public Utilities Commission (Commission or CPUC) to approve the Amendments and to authorize the Executive Director to sign the amendments on behalf of the Commission. The Amendments revise the fee schedule to lower the fees charged by The Bank of New York Mellon for its services as Trustee under the decommissioning trust agreements (the "SCE Trust Agreements").

**BACKGROUND**

In Order Instituting Investigation No. 86 (OII 86), the Commission conducted an extensive investigation, on its own motion, into alternative methods of financing the ultimate cost of decommissioning the nuclear power plants owned by California utilities.<sup>2</sup>

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<sup>1</sup> Proposed Amendment No. 2 of the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust Agreement for San Onofre and Palo Verde Nuclear Generating Stations and proposed Amendment No. 2 of the Southern California Edison Company Nuclear Facilities Nonqualified CPUC Decommissioning Master Trust Agreement for San Onofre and Palo Verde Nuclear Generating Stations are attached to Exhibit A.

<sup>2</sup> OII 86, January 21, 1981, p. 3.

In Decision No. (D.) 87-05-062, the Commission adopted externally managed trust funds as the investment vehicles for accruing funds for the ultimate decommissioning of the nuclear power plants owned by California utilities.<sup>3</sup> In that decision, the Commission also established guidelines for preparing these trust agreements.<sup>4</sup>

In response to D.87-05-062, SCE established two trusts for its nuclear decommissioning costs. The Qualified Trust was established as the vehicle to hold the decommissioning funds for contributions that qualify for an income tax deduction under Section 468A of the Internal Revenue Code, and the Nonqualified Trust was designed to hold the remaining funds. On November 25, 1987, the Commission approved the SCE Trust Agreements by Resolution E-3057. The Trusts were initially funded on February 2, 1988 and the SCE Trust Agreements have been amended and restated from time-to-time thereafter with Commission approval. The most recent trust amendments were approved by the Commission on August 21, 2003.<sup>5</sup>

SCE has negotiated reduced fees of approximately \$280,000 per year for a five-year contract term with the Bank of New York Mellon. The revised fee schedule will be effective retroactively to July 1, 2008. The Amendments attach the new fee schedule as an exhibit. They were approved at the December 12, 2008 Committee meeting.

### **PROCEDURAL INFORMATION**

Amendment of the SCE Trust Agreements requires Commission approval. The Committee is authorized to amend the SCE Trust Agreements thirty days after filing a copy of the proposed amendments with the Commission provided no written objections are filed within that period. The relevant text of the two sections is identical, and states in part:

“The Committee may also amend this agreement thirty days after filing a copy of the proposed amendment with the CPUC. No proposed amendment may be made if written objections to a proposed amendment are filed within the thirty-day period. Any party making written objections to a proposed amendment shall serve the written objections with a certificate of service on the Company, the Committee, the Trustee, and the CPUC Staff on the same day the written objections are filed with the CPUC.”<sup>6</sup>

A copy of the Committee resolution approving the proposed amendments is attached as Exhibit A.

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<sup>3</sup> D.87-05-062, May 29, 1987, Ordering Paragraph No. 2, pp. 37-38.

<sup>4</sup> Id. Conclusions of Law 5 and 6, p. 37.

<sup>5</sup> Resolution No. E-3840.

<sup>6</sup> See, §2.12, p. 11 of the Qualified Trust as restated November 1, 2002, and §2.10, p. 10 of the Nonqualified Trust as restated November 1, 2002.

No cost information is required for this advice filing.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

### **TIER DESIGNATION**

Pursuant to D.07-01-024, Energy Industry Rule 5.3, this advice letter is submitted with a Tier 3 designation.

### **EFFECTIVE DATE**

The Amendments are proposed to be executed by the Company and the trustee upon approval of the Commission. This advice filing also requests that the Commission authorize the Executive Director to execute the Amendments on behalf of the Commission.

### **NOTICE**

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, California 94102  
E-mail: [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Akbar Jazayeri  
Vice President of Regulatory Operations  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Bruce Foster  
Senior Vice President, Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 673-1116  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section 4 of General Order No. (GO) 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B service list. Address change requests to the GO 96-B service list should be directed by electronic mail to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-2930. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters>.

For questions, please contact David Ertel at (626) 302-4494 or by electronic mail at [David.Ertel@sce.com](mailto:David.Ertel@sce.com).

**Southern California Edison Company**

Akbar Jazayeri

AJ:de:sq  
Enclosures

# EXHIBIT A

## **RESOLUTION OF THE**

SOUTHERN CALIFORNIA EDISON COMPANY NUCLEAR FACILITIES

DECOMMISSIONING TRUST COMMITTEE

RESOLUTION OF THE  
SOUTHERN CALIFORNIA EDISON COMPANY  
~~NUCLEAR FACILITIES DECOMMISSIONING TRUST COMMITTEE~~

Adopted: December 12, 2008

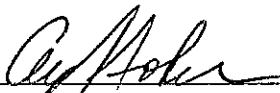
RE: Master Trust Agreement Amendments

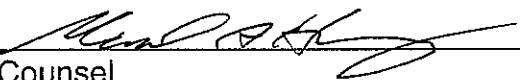
WHEREAS, the trustee under the master trust agreements has agreed to a revised fee schedule and it has been proposed to amend the master trust agreements as reflected in the amendments attached to this resolution as Exhibits 1 and 2 (the "Amendments"); and

WHEREAS, it is necessary to submit the proposed Amendments to the California Public Utilities Commission for approval;

NOW, THEREFORE, BE IT RESOLVED, that the proposed Amendments are approved in substantially the form presented to this Committee and that Alan J. Fohrer or Robert C. Boada is hereby authorized to execute the Amendments on behalf of the Committee, or to execute any other document consistent with the intent of this resolution, and to take such other action deemed necessary or appropriate in his discretion to implement the proposed Amendments and secure CPUC approval.

APPROVED:

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Counsel

**AMENDMENT NO. 2**

**SOUTHERN CALIFORNIA EDISON COMPANY  
NUCLEAR FACILITIES QUALIFIED  
CPUC DECOMMISSIONING MASTER TRUST AGREEMENT**

**FOR SAN ONOFRE AND PALO VERDE  
NUCLEAR GENERATING STATIONS**

As Amended and Restated November 1, 2002

WHEREAS, the California Public Utilities Commission, the Southern California Edison Company, and The Bank of New York Mellon (formerly Mellon Bank, N.A.) (the "Parties") have executed the Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust Agreement for San Onofre and Palo Verde Nuclear Generating Stations as Amended and Restated November 1, 2002 (the "Master Trust Agreement") and the Parties desire to amend the Master Trust Agreement;

NOW, THEREFORE, the Master Trust Agreement is amended as provided herein below effective \_\_\_\_\_.

The Fee Schedule attached as Exhibit D to the Master Trust Agreement is hereby replaced with the revised Fee Schedule attached hereto.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 2 effective \_\_\_\_\_.

**CALIFORNIA PUBLIC UTILITIES COMMISSION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**SOUTHERN CALIFORNIA EDISON COMPANY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

**THE BANK OF NEW YORK MELLON**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

**AMENDMENT NO. 2**

**SOUTHERN CALIFORNIA EDISON COMPANY  
NUCLEAR FACILITIES NONQUALIFIED  
CPUC DECOMMISSIONING MASTER TRUST AGREEMENT**

**FOR SAN ONOFRE AND PALO VERDE  
NUCLEAR GENERATING STATIONS**

As Amended and Restated November 1, 2002

WHEREAS, the California Public Utilities Commission, the Southern California Edison Company, and The Bank of New York Mellon (formerly Mellon Bank, N.A.) (the "Parties") have executed the Southern California Edison Company Nuclear Facilities Nonqualified CPUC Decommissioning Master Trust Agreement for San Onofre and Palo Verde Nuclear Generating Stations as Amended and Restated November 1, 2002 (the "Master Trust Agreement") and the Parties desire to amend the Master Trust Agreement;

NOW, THEREFORE, the Master Trust Agreement is amended as provided herein below effective \_\_\_\_\_.

The Fee Schedule attached as Exhibit D to the Master Trust Agreement is hereby replaced with the revised Fee Schedule attached hereto.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 2 effective \_\_\_\_\_.

**CALIFORNIA PUBLIC UTILITIES COMMISSION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**SOUTHERN CALIFORNIA EDISON COMPANY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

**THE BANK OF NEW YORK MELLON**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

**Annualized Fee Schedule**  
**for Trustee & Custodial Services**  
by and between  
**Southern California Edison Company**  
**Nuclear Decommissioning Trusts**

and



**BNY MELLON**  
ASSET SERVICING

*Effective July 1, 2008*

**I. Structural Charges**

*Investment Pool*

\$1,250	per active investment domestic portfolio
\$2,000	per active investment global portfolio
\$750	per line item/mutual fund/commingled fund/ hedge fund/limited partnership/real estate portfolio
\$2,750	per outside managed prop fund portfolio
\$500	per cash portfolio

*Plan Accounting*

\$500	per plan account
\$1,750	per unitization

**II. Administrative Fee**

United States

.10	basis points on US active assets
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Global

*Developed Markets*

Tier 1*	1.75 basis points on active assets
Tier 2*	4.50 basis points on active assets
Tier 3*	6.75 basis points on active assets

### *Intermediate Markets*

Tier 4\* 15.00 basis points on active assets  
Tier 5\* 25.00 basis points on active assets

### *Emerging Markets*

Tier 6\* 40.00 basis points on active assets

\* Please note that the market values for all ADR positions are included in the US Administrative Fee charge not by global market.

## **III. Transaction Fees**

### United States

\$5 per depository/MF buy/sell transaction  
\$20 per physical delivery buy/sell transaction  
\$7 per each wire out  
\$25 per f/x not executed at Mellon  
\$15 per futures transaction  
\$25 per options roundtrip  
\$20 per SWAP  
\$7 per margin variation wire  
\$10 per each vendor checks

### Global

#### *Developed Markets*

Tier 1 \* \$12 per buy/sell transaction  
Tier 2\* \$15 per buy/sell transaction  
Tier 3 \* \$18 per buy/sell transaction

#### *Intermediate Markets*

Tier 4\* \$25 per buy/sell transaction  
Tier 5\* \$45 per buy/sell transaction

#### *Emerging Markets*

Tier 6\* \$85 per buy/sell transaction

**\*Countries within each Market Tier include the following:**

#### ***Developed Markets***

**Tier 1:** Canada, Euroclear, France, Germany, Italy, Japan, Netherlands, New Zealand, Spain, Sweden, Switzerland, UK

**Tier 2:** Australia, Belgium, Cedel, Finland, Ireland, Luxembourg, Mexico, Norway, South Africa

**Tier 3:** Argentina, Austria, Brazil, Denmark, Hong Kong, Malaysia, Portugal, Singapore, South Korea, Sri Lanka, Thailand, Turkey

***Intermediate Markets***

**Tier 4:** Czech Republic, Greece, Hungary, Indonesia, Israel, Peru, Taiwan, Zimbabwe

**Tier 5:** Bangladesh, Bermuda, Botswana, Ghana, Kenya, Mauritius, Pakistan, Philippines, Poland, Slovak Republic, Uruguay

***Emerging Markets***

**Tier 6:** Bahrain, Bolivia, Bulgaria, Chile, China, Colombia, Egypt, Estonia, Iceland, India, Jordan, Kazakhstan, Latvia, Lebanon, Lithuania, Morocco, Oman, Panama, Romania, Russia, Slovenia, Tunisia, Ukraine, Venezuela, Vietnam, Zambia

**IV. On-Line Information Delivery**

**Workbench**

**Included**

***Client Reporting and Report Writer***

Internet access to Workbench, including Client Reporting and Inquire, for an unlimited number of users and Report Writer has been included.

**V. Performance Measurement Services**

A flat fee of \$40,000 will be charged for performance measurement services. This flat fee applies to the current level of service, i.e. actual services provided, number of accounts and existing custom reports. Additional charges may apply as noted in Attachment A should there be changes to the parameters as noted.

**VI. Cash Management**

15 basis point on BNY Mellon short term investment vehicles

## **VII. Comments**

- We will pass through to the client any out-of-pocket expenses including, but not limited to, postage, courier expense, registration fees, stamp duties, telex charges, custom reporting or custom programming, internal/external tax, legal or consulting costs, client-specific customized vendor feeds and proxy voting expenses.
- We reserve the right to amend our fees if the service requirements change in a way that materially affects our responsibilities or costs (i.e. external cash management, daily valuation).
- This fee proposal assumes monthly audited valuations.
- Fees for additional Performance, Risk and Analytical Services can be provided upon request.

- A payment of approximately 1/12<sup>th</sup> of estimated annual fees will be paid monthly via an electronic debit with a quarterly true-up to actual fees incurred. Additional amounts due (or overpayments to be refunded) will be payable within 30 days. Fees not paid within 60 days of the date of the invoice will be subject to a late charge of 1.5% per month.
- Mellon will file class action Proofs of Claims on your behalf. An amount equal to 2 percent of the proceeds will be charged against each participating account at the time the proceeds are credited.
- BNY Mellon Asset Servicing will charge a fee of \$165 per hour for supporting the preparation of tax documentation for the Southern California Edison NDT's.
- This fee schedule assumes that BNY Mellon Asset Servicing acts as the Master Trustee/Custodian for the Southern California Edison Company Retirement /401(h) Plans & NDT's. These fees are subject to change should BNY Mellon Asset Servicing not service either of these plans.
- We guarantee the fee schedule for 5 years.

By: \_\_\_\_\_  
Southern California Edison Company

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date : \_\_\_\_\_

By: \_\_\_\_\_  
BNY Mellon Asset Servicing  
Michael D. Ferguson  
First Vice President

Date: \_\_\_\_\_

**Annualized Fee Schedule  
for Trustee & Custodial Services**

by and between

**Southern California Edison Company**

**Nuclear Decommissioning Trusts**

and



**BNY MELLON  
ASSET SERVICING**

Attachment A

**Performance & Risk Analytics**

**Performance Measurement (per account or line item)**

\$1,500	standard monthly performance – includes 10 portfolios (total/asset class returns /sector/country level & security level)
\$7,500	monthly performance – includes 10 portfolios (total/asset class returns /sector/country level & security level for Pre-tax gross & net, after-tax gross & net, and liquidation gross & net )
\$750	monthly total performance per single line item – includes 5 portfolios
\$750	monthly total performance per composite (first 5 are free) – includes 5 additional composites
\$4,000	per custom benchmark - includes 34 benchmarks
\$750	look through (drill down) commingled funds – includes 5 funds

**Global Analytics (per account)**

\$750	monthly analytics – includes 10 portfolios
\$750	monthly per composite (first 5 are free) – includes 10 additional composites
\$750	look through (drill down) analytics – includes 5 funds

**Universe Comparison (per relationship)**

Included	Charts (includes Monthly Trust Universes)
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**Page 2**  
**Fee Schedule**  
**Attachment A**

**Private I (per relationship)**

\$20,000 Private i software \*

*\* Includes data extract; for 1-99 limited partnerships.*

**Compliance Monitoring (per relationship)**

Included Investment Monitor software  
\$80,000 Investment Monitoring Service \*

*\* Please note the fee for the Investment Monitoring Service is an estimated fee. A final fee would be determined based on an understanding of your requirements.*

**Custom Reporting**

Included Monthly Board Report – Performance returns with tax data  
(excel format)

Included Quarterly Board Report – Graphical performance report reflecting  
fully liquidated data  
(PowerPoint format)

By: \_\_\_\_\_  
Southern California Edison Company

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date : \_\_\_\_\_

By: \_\_\_\_\_  
BNY Mellon Asset Servicing  
Michael D. Ferguson  
First Vice President

Date: \_\_\_\_\_

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: [James.Yee@sce.com](mailto:James.Yee@sce.com)

E-mail Disposition Notice to: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
 PLC = Pipeline      HEAT = Heat      WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2301-E

Tier Designation: 3

Subject of AL: Amendment of the Southern California Edison Company Qualified and Nonqualified Nuclear Decommissioning Trust Agreements to Reflect New Trustee Fee Schedule

Keywords (choose from CPUC listing): Agreements, Nuclear

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: \_\_\_\_\_

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required?  Yes  No

Requested effective date: Upon Commission approval

No. of tariff sheets: -0-

Estimated system annual revenue effect: (%): \_\_\_\_\_

Estimated system average rate effect (%): \_\_\_\_\_

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed<sup>1</sup>: \_\_\_\_\_

Pending advice letters that revise the same tariff sheets: \_\_\_\_\_

<sup>1</sup> Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
[inj@cpuc.ca.gov](mailto:inj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

Akbar Jazayeri  
Vice President of Regulatory Operations  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Bruce Foster  
Senior Vice President, Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 673-1116  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)