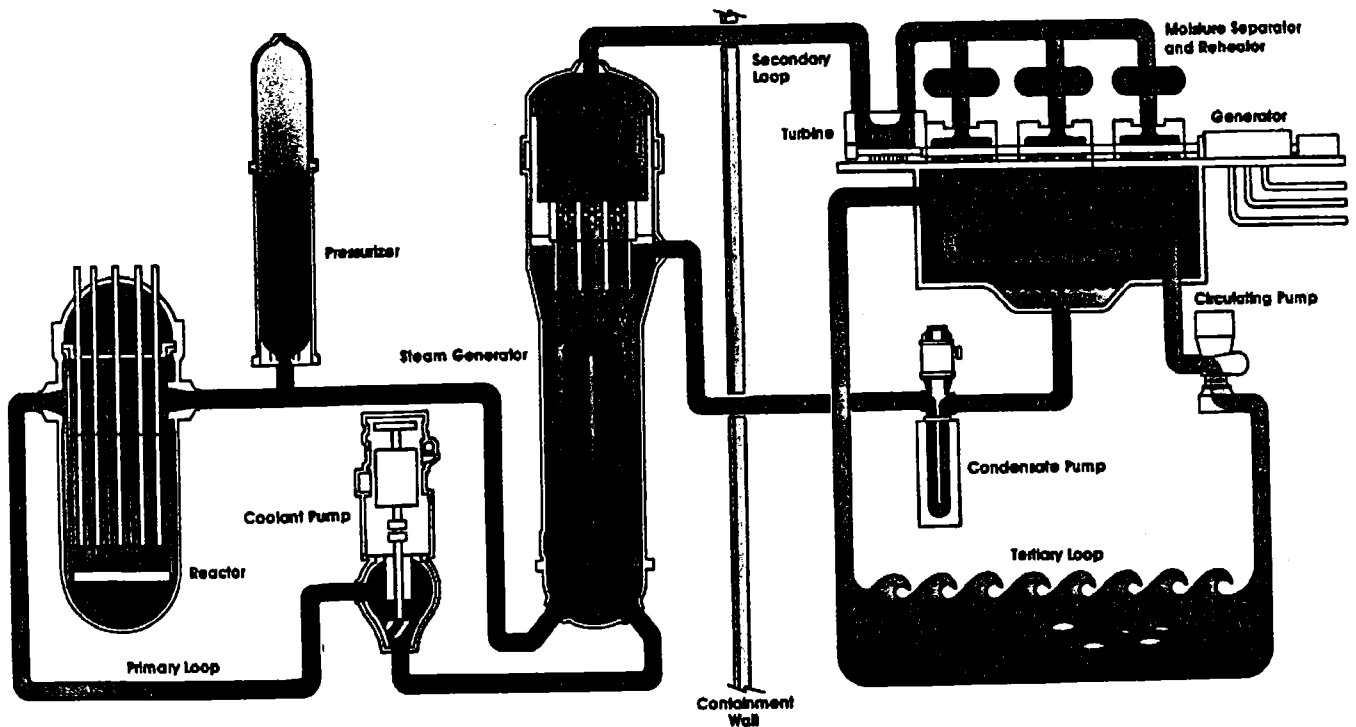



**SONGS UNITS 2 & 3  
PRE-BOR UPDATE  
MAY 14, 2003**



 Nuclear Steam Supply System  
MB 3618A

## **UPDATE ON SDG&E ACTIVITIES RELATED TO STEAM GENERATOR REPLACEMENT**

### **SDG&E ECONOMIC ANALYSIS**

#### **Scope:**

- Economic analysis will compare 3 alternatives.
- Comparison will be based on total cost to SDG&E for the energy produced over the period 2004-2022 expressed as mill/kWh by year and 2004 PV:
  - Alternative 1: "Replace" (Base Case)
  - Alternative 2: "Do Not Replace"
  - Alternative 3: "Replace - Limit Participation"
- Alternative 2 will include the incremental cost of replacement generation and transmission system improvements necessary to replace SONGS in 2012 instead of 2022.

#### **Status:**

- SONGS economic model has been reviewed in detail with SCE.
- Economic model runs are in progress.
- Transmission and generation resources are being evaluated.
- SCE has reversed their position on doing a joint transmission study, and wants to work with us to verify the previous ISO work for 2015. They will provide Dave Korinek a draft scope of work and schedule within 1-2 weeks.
- SCE provided updated Unit 3 SG degradation forecast 5/13/03.

## INDEPENDENT ASSESSMENT (IA)

### Scope:

- IA of basis for SCE's decision to replace in 2009-10 including:
  - Quantitative SG degradation forecasts.
  - Qualitative risk factors effecting SG reliability.
  - Non-feasibility of extending SG life through additional temperature reduction (Alternative 4).
  - Non-feasibility of single-unit operation.
- IA of SCE's SONGS economic model and all input assumptions:
  - Generation forecast
  - O&M cost forecast
  - Capital cost forecast
  - Fuel cost forecast
- IA of SCE's SGR implementation plans:
  - Project Schedule
  - Project Cost Estimate
  - Replacement SG Specifications
  - Replacement SG Transportation Plan
  - Replacement SG Installation Plan
  - Original SG disposal plan

### Status:

- Sargent & Lundy has been retained through Jim Walsh.
- Initial document transfer to S&L has been completed.
- SCE has been informed we have retained a consultant to do an IA.
- Initial document request has been submitted to SCE.
- Results will not be shared with the Cities.