Southern California Edison continues to implement its obligations under the Settlement Agreement in good faith and provides periodic reports on its progress. These reports are published on the San Onofre Nuclear Generating Station (SONGS) <u>website</u>.

In June, SCE <u>announced</u> a contract awarded to North Wind, Inc. to begin work on the Strategic Plan. SCE is optimistic that the Strategic Plan will set forth practical steps that SCE can and will take in support of our efforts to relocate SONGS spent fuel off site. Getting SONGS spent nuclear fuel off site is a top priority for SCE, as is safely managing the fuel while it is on site.

The dry spent fuel storage systems in use at SONGS continue to meet all regulatory and safety requirements.

Further Information

In July, the Nuclear Regulatory Commission affirmed SCE can safely resume storage of spent nuclear fuel at SONGS, following a comprehensive inspection of improvements made to SCE's fuel transfer operations.

Regarding incidental contact that may occur while the canisters are lowered, SCE resolved the compliance issue through the NRC's 72.48 process. The NRC wrote in its <u>supplemental inspection</u> <u>report</u>, "...the proposed change to allow the incidental contact on previous and future canisters will continue to meet the confinement design functions as specified in the FSAR (Final Safety Analysis Report) and ASME Section III code tolerances and does not require a change to the storage system's technical specifications. The inspectors found that the licensee's site-specific 10 CFR 72.48 change to be acceptable and met all applicable criteria to not require NRC review and approval through a Certification of Compliance amendment."

It should also be noted that the Holtec UMAX dry storage system utilized at SONGS is similar to the system that will be used at Holtec's consolidated interim storage site in New Mexico, now in the NRC licensing process. Consolidated Interim Storage is viewed as a significant opportunity for off-site storage of spent nuclear fuel until a more permanent national repository is established. The storage of MPC-37 canisters, which we use, is included in the Holtec application for CIS currently under review by the NRC.