Uncertainty Clouds Future of Nuke Plant

MICHAEL R. BLOOD,Associated Press

LOS ANGELES (AP) — The mounting bill tied to the shuttered San Onofre nuclear power plant in California jumped to more than $400 million through December, as the company that runs it contends with costly repairs and a host of questions about its future, regulatory filings and officials said Tuesday.

The seaside plant between Los Angeles and San Diego was sidelined in January 2012 after a tiny radiation leak led to the discovery of unusual damage to hundreds of tubes that carry radioactive water inside its steam generators.

Edison International, the parent of operator Southern California Edison, said replacement power cost reached $300 million through Dec. 31, while repairs and inspections hit $102 million.

The figures come as SCE pushes the Nuclear Regulatory Commission for permission to restart one of the twin reactors, Unit 2, and run it at 70 percent power for five months in hopes of ending vibration and friction blamed for tube damage.

Meanwhile, state regulators are determining if ratepayers should be hit with costs tied to the shutdown, the NRC's investigative arm is looking into information Edison provided to the agency on the generators and environmental activists are pressing to have the plant shut down permanently.

"The scope of necessary repairs for the steam generators ... or the length of the units' outages could prove more extensive than is currently estimated," company documents said.

"The cost of such repairs or the substitute market power that must be purchased during the outage could exceed estimates and insurance coverage, or may not be recoverable through regulatory processes or otherwise," Edison added.

Regulatory filings also said SCE's insurance coverage for wildfires that could arise from its operations might not be sufficient.

In a conference call with Wall Street analysts, Edison Chairman Ted Craver said the company hoped the Unit 2 reactor could be online by summer but noted that preparations are being made if that doesn't occur.

"We are convinced it is safe to run the unit," he said.

The NRC Tuesday also released Edison's response to a thorny question on the plant's ability to run safely at full power.

Even though the restart calls for a trial run at reduced power, the NRC staff last

year said that operating rules require San Onofre to ensure generator tubes don't break during "the full range of normal operating conditions," including at full power.

That appeared to raise an obstacle to the proposed restart. The NRC said it wanted the company to demonstrate that Unit 2 could meet that threshold, or explain how generator tubes would interact with each other if the plant is operating at maximum capacity.

In a response, the company argued, in essence, that 70 percent is full power for the five-month trial run.

Under its proposal, full power "is 70 percent for the proposed operating period" and meets the federal requirements, the company wrote.

The company said in a statement it will provide additional evaluations next month to demonstrate Unit 2 can run at 100 percent power, even though its restart plan, based on 70 percent power, will remain unchanged.

The NRC has not ruled on that issue.

Daniel Hirsch, a lecturer on nuclear policy at the University of California, Santa Cruz, and a critic of the nuclear power industry, said the response "raises serious questions about the credibility of Edison."

If company officials are preparing an analysis to run at full power "why have they said for months they need to restrict power to 70 percent?" Hirsch asked.

The problems at San Onofre center on steam generators that were installed during a $670 million overhaul in 2009 and 2010. After the plant was shut down, tests found some generator tubes were so badly eroded that they could fail and possibly release radiation, a stunning finding inside the nearly new equipment.

The ability of San Onofre to run safely at lower power — and whether that limit would require an amendment to its operating license — came up in December at a hearing of the Atomic Safety and Licensing Board, an arm of the NRC.

Administrative Judge Gary Arnold asked Edison attorney Steve Frantz if he was confident that the plant could operate at 99 percent power with its ailing generators.

"I do not say that," Franz responded. He argued that running at 70 percent power would fall within San Onofre's license and operating rules.

The generators, which resemble massive steel fire hydrants, control heat in the reactors and operate something like a car radiator. At San Onofre, each one stands 65 feet high, weighs 1.3 million pounds and has with 9,727 U-shaped tubes inside, each 0.75 inch in diameter. Hundreds of the tubes have been taken out of service because of damage or as a preventative step.

Craver also disclosed that Edison and the Japan-based company that built the generators, Mitsubishi Heavy Industries, are squabbling over the amount of money that could be recovered under warranty.

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