Calif. Utility Asks Public to Pay $808M for Plant

SAN DIEGO (AP) — The power utility that co-owns a recently shuttered nuclear plant is asking California regulators to let it recover its investments by collecting more than $800 million from customers.

The California Public Utilities Commission is evaluating the request from San Diego Gas & Electric, which owns a 20 percent stake in the San Onofre power plant on a coastal bluff between San Diego and Los Angeles.

San Onofre was initially shut down in 2012 after a small radiation leak led to the discovery of heavily damaged tubing in its virtually new steam generators. The plant was formally retired in June.

U-T San Diego [1] reports that state regulators plan to consider whether it is reasonable for customers to pay for breaking down a plant that no longer produces power.

"Just as customers would see the benefit of assets that are still productive after fully depreciated (paid off), they should also be responsible for paying costs for assets that are retired early as long as those assets were operated prudently," SDG&E argued in testimony to the commission.

A spokeswoman for the utility says it can use money set aside for a "decommissioning fund" so that customer rates would hold steady.

"Bottom line, we don't expect rates to go up," spokeswoman Stephanie Donovan said.

The plant was operated by majority owner Southern California Edison, which has asked the commission to let it recover more than $2 billion from customers.

Edison said it needs the money to compensate shareholders.

A decision from the utilities commission is not expected until next year.

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