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International Tribunal Confirms MHI Supplied Defective Equipment for San Onofre Nuclear Plant, Caps Arbitration Award at Contract Liability Limit

ROSEMEAD, Calif., March 13, 2017 — An international arbitration panel, in a 2-1 decision, has awarded the owners of the San Onofre nuclear plant \$125 million for the plant's defective replacement steam generators supplied by Mitsubishi Heavy Industries (MHI).

"We had hoped the award would more accurately reflect the true magnitude of damage caused by Mitsubishi's defective steam generators," said SCE President Ron Nichols. "Unfortunately, the arbitration panel concluded that the contract's prescribed liability limit should be respected and no additional award can be granted despite the harm caused."

SCE announced retirement of San Onofre in June 2013, and four months later [filed the arbitration claim against MHI](#) with the International Chamber of Commerce (ICC).

Nichols said the ICC's International Court of Arbitration today notified San Onofre's owners that it had awarded \$125 million for the claims against MHI, and ordered San Onofre's owners to pay MHI \$58 million in legal fees.

He noted one of three arbitrators filed a dissenting opinion finding that San Onofre's owners should have been awarded more than \$1 billion. Nichols said SCE continues to review the lengthy decision.

The decision includes an allocation of damages and costs in accordance with plant ownership shares, which results in a net award to SCE of approximately \$52 million. The amount of SCE's share of damages may be subsequently adjusted following discussions among the San Onofre owners.

SCE announced in June 2013 that it would [retire San Onofre Units 2 and 3](#), and has begun the process to decommission the facility. SCE has established core principles of safety, stewardship and engagement to guide decommissioning. San Onofre, which when operational supplied 2,200 megawatts of electricity, is co-owned by SCE, San Diego Gas & Electric and the city of Riverside.

For more information about San Onofre, visit songscommunity.com.

About Southern California Edison

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