

DECLARATION OF STEPHEN PICKETT

I, Stephen Pickett, do hereby declare as follows:

1. I retired from Southern California Edison ("SCE") on November 30, 2013, after working thirty-five years for the company. I held many positions at SCE over time, including General Counsel of SCE. As of March 2013 and until my retirement, I was Executive Vice President of External Relations.

2. In March 2013, I traveled to Poland as part of a study tour organized by the California Foundation on the Environment and Economy ("CFEE"). Approximately twenty to thirty individuals took part in this CFEE study tour. Michael Peevey, who at the time was the President of the California Public Utilities Commission ("CPUC" or the "Commission"), was one of those individuals. No other SCE employees traveled to Poland with the CFEE group.

3. Prior to my departure to Poland, President Peevey asked SCE for a briefing about the status of its efforts to restart SONGS, and SCE management assigned me the task of updating President Peevey on this issue at some point during the Poland trip. I did not expect to discuss settlement of the SONGS Order Instituting Investigation ("OII"), or a resolution of any of the issues in the OII, with President Peevey in Poland. I did not have any settlement authority from SCE, and I did not reach or attempt to reach any agreement, tentative or otherwise, with President Peevey about the SONGS OII.

4. On March 26, 2013, I met with President Peevey for approximately half an hour in the Bristol Hotel in Warsaw, Poland, in order to give President Peevey the update about SCE's efforts to restart SONGS. My recollection is that Ed Randolph, Director of the Energy Division at the CPUC, was also present for some or all of the meeting.

5. I provided President Peevey with an update about the status of SCE's efforts to restart SONGS, including SCE's efforts with the Nuclear Regulatory Commission ("NRC") to get approval to restart SONGS Unit 2. I told President Peevey that it appeared that the NRC was going down the path of requiring a license amendment in order to restart SONGS. I indicated that if the NRC required a license amendment that could result in a significant delay before SCE could restart Unit 2.

6. President Peevey expressed concern that such a delay in the restart of SONGS would potentially have a negative impact on the power grid and SCE's ability to serve its customers in the summer of 2013. He noted that the CPUC and possibly other government agencies would have to continue the efforts they had undertaken in the summer of 2012 to help avoid this possibility. I recall President Peevey noting that at some point SCE would have to consider the possibility of permanently shutting down SONGS. I agreed that was a possibility, but noted that SCE was still continuing to make every effort possible to restart SONGS.

7. President Peevey pursued his line of thought about a possible permanent shut down of SONGS and began to consider the many ramifications if SONGS were to be shut down, noting that it would be a long and difficult proceeding before the Commission. He stated his views on how to resolve some of these issues, including the various areas of costs that would

have to be addressed, referring at times to how the CPUC had dealt with these issues in the past, including in the resolution of the SONGS 1 shutdown, the PG&E bankruptcy proceeding, and the SCE energy crisis settlement.

8. President Peevey's comments on these issues were stated in broad terms. I recall that he made a statement to the effect that the cost of the replacement steam generators ("RSGs") should be written off, and the remaining investment recovered in a manner similar to SONGS 1. I was familiar with the SONGS 1 settlement, and I understood that comment to mean that SCE would recover the non-RSG investment with a rate of return on the entire undepreciated balance equal to its authorized cost of debt. President Peevey did not address this issue more specifically. I do not recall him mentioning, for example, certain other specific categories of investment of which I was aware, such as the recovery of construction work in progress and nuclear fuel.

9. With regard to operations and maintenance ("O&M") costs, I recall President Peevey stating that employees should be treated fairly and receive reasonable severance payments. He stated that O&M expenses had already been approved in SCE's general rate cases. I also recall him stating that the amounts authorized in the general rate case for SONGS O&M could continue through a future shut-down date plus another period of time of about 6 months. I also recall President Peevey saying that he wanted to address the greenhouse gas impacts of the shutdown of SONGS. He mentioned a charitable contribution for greenhouse gas research as a possible way to address this issue.

10. I did not understand President Peevey's comments to be a directive on how a settlement should be structured, nor did they appear to me to reflect a prejudgment as to the outcome of the OII. Instead, I understood them as President Peevey's general thoughts on how, based on prior commission decisions, he thought the cost responsibility for SONGS might ultimately be sorted out.

11. At some point well into the meeting, I obtained a pad of paper from the hotel and began taking notes in an effort to organize President Peevey's comments for my own benefit. As noted, President Peevey's remarks were quite general, and my notes reflect my interpretation of President Peevey's statements. My notes are not a verbatim record of President Peevey's comments, do not reflect the order of the conversation, and were not a term sheet. I do not know if President Peevey agreed with my characterization of his comments. At some point near the end of the meeting, President Peevey asked me to give him the notes, and he wrote on the notes. I did not see what he wrote. President Peevey kept the notes after the meeting.

12. I did not engage in settlement negotiations with President Peevey. President Peevey made it clear, however, that in the event of a permanent shutdown of SONGS he thought it would be best for SCE to engage in settlement negotiations with appropriate consumer groups and other interested parties, and bring a settlement proposal to the CPUC for consideration. President Peevey specifically mentioned John Geesman, who represents the Alliance for Nuclear Responsibility, as one possible party. I did not understand President Peevey's comments on cost responsibility, as outlined above, to constitute a direction to SCE to settle on those terms.

13. The substance of the communication about the resolution of the issues involved if SONGS were to shutdown was, in the main, from President Peevey to me. To the best of my recollection, I did not react or respond to President Peevey's comments, with one exception: at one point, President Peevey stated that there should be a disallowance of both replacement power costs and replacement steam generator investment costs. I do not recall exactly what I said in response, but I believe I very briefly expressed disagreement. I did not consider my reaction to have risen to the level of a substantive communication to President Peevey.

14. After this meeting with President Peevey, I went to dinner with the CFEE group. There was no discussion about SONGS at that dinner.

15. On March 27, 2013, I attended another dinner with the CFEE group. President Peevey was also in attendance. I believe President Peevey may have mentioned SONGS during the dinner, but I do not recall anything of substance relating to the SONGS OII being discussed. To the best of my recollection, settlement of the OII was not mentioned.

16. When I returned to the United States, I briefed senior executives on April 1, 2013, about what President Peevey had said to me about SONGS in Poland. These executives were SCE President Ron Litzinger, Edison International CEO Ted Craver, Edison International CFO Jim Scilacci, and Edison International General Counsel Robert Adler. At some point during the meeting, the issue was raised of whether my meeting with President Peevey constituted a reportable ex parte communication. I did not believe it was reportable, based on my general understanding of the ex parte rules. After the April 1 meeting I consulted with SCE's counsel on the ex parte reporting issue, and no ex parte notice was filed at that time.


17. After my meeting with the executives, I summarized the points raised by President Peevey in a document that I titled "Elements of a SONGS Deal," which I sent to the executives whom I had briefed that day. The title of the document was not meant to convey that I had entered into any "deal" with President Peevey. Rather, the document reflected President Peevey's comments about the framework of a possible resolution of SONGS issues with parties to the OII. The document was intended to be an internal outline that could serve as a basis for discussing a potential settlement in a deal with consumer and other groups should SCE's efforts to restart SONGS prove unsuccessful. I also asked several SCE employees to take these ideas and work on them further.

18. After the trip to Poland, I did not speak with President Peevey about a SONGS settlement, nor did I speak with any other CPUC decision maker regarding a SONGS settlement, prior to its being publicly announced. I have seen and spoken to President Peevey a number of times at social and other occasions since the Poland trip. However, the only other communication I had with President Peevey or any other CPUC decision maker about settlement of the OII was at a social dinner with President Peevey and others in the summer of 2014, in which President Peevey made a passing comment to the effect that he liked the settlement (which had by that time been filed with the Commission), but that an element was missing – specifically something to address greenhouse gas issues – and he was going to work to get it added. I did not respond to President Peevey's comment on the SONGS settlement. I was retired from SCE at that point. I did not convey President Peevey's comment to anyone at SCE.

19. I was not a part of the group of executives who oversaw settlement discussions relating to the SONGS OII. I understand that Edison International General Counsel Robert Adler oversaw those settlement negotiations. I was not involved in, and do not have any knowledge about, the settlement discussions that eventually resulted in the SONGS settlement.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at La Cañada, California on April 28, 2015.



Stephen Pickett