

November 2, 2004

Mr. C. Byrom
Anaheim Public Utilities Department
201 S. Anaheim Blvd., Suite 802
Anaheim, CA 92805

Mr. M. Olson
San Diego Gas & Electric
P.O. Box 1831
San Diego, CA 92112-4150

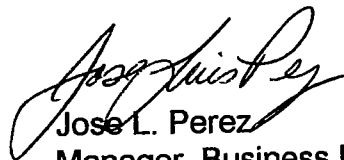
Mr. R. Delgado
Riverside Public Utilities Department
2911 Adams Street
Riverside, CA 92504

EOB Committee Members:

The December 11, 2003 Engineering, Operations and Budget (EOB) Committee meeting minutes have been approved by participant representatives. Enclosed is a full document set for your records.

Please contact Ms. Dawn Farrell, (949) 368-6680, should you have any questions.

Sincerely,



Jose L. Perez
Manager, Business Planning &
Financial Services

Enclosure

Cc: M. Frazee/City of Anaheim
L. Uhler/City of Riverside
R. A. Sheaffer/SDG&E
S. Garcia/SDG&E

Mike Olson noted that this is the first time the BOR will see Steam Generator Replacement (SGR) in the budget. He noted that the budget probably won't be approved if it contains SGR funding. Mark Frazee/City of Anaheim indicated that they would probably also not approve an SGR budget. Mr. Olson wondered what the time frame was for Edison's decision on whether they would move ahead with SGR. Mr. Goettel noted that there is still no approval from Edison. We will not be filing an SGR Application with the CPUC before the end of the year. Participants requested that SONGS contact them if there are any changes before the next BOR.

VIII Open Items

With regard to the five year outage schedule, Mr. Olson noted that SDG&E can't support a summer outage in 2006, unless the interconnection tie breakers connecting SCE and SDG&E grids are increased in size prior to the outage. Mr. Goettel noted that Edison and SDG&E are discussing this issue and will attempt to resolve before the January BOR.

Mr. Goettel noted that San Onofre has decided to join the Utility Service Alliance (USA), an independent group of single site nuclear generating facilities. The purpose of this alliance is to gain economies of scale that you would see with fleet plants. We will evaluate our interest in this alliance over the long-term. The cost is approximately \$135K for the year. Health Physics has already evaluated and determined that they could save \$100K next year by being a part of the alliance.

VIII. Adjournment

The meeting adjourned at 12:30 p.m.