

Japanese Firm To Fight Nuke Plant Negligence Claim

The Associated Press

LOS ANGELES (AP) — Mitsubishi Heavy Industries Ltd. will fight Southern California Edison's [allegations](#) [1] of gross negligence in the design and manufacture of steam tubes built for the San Onofre nuclear power plant, which has been permanently shut down due to excessive wear in the tubes.

Mitsubishi sent a reply Thursday to a contract dispute filing from Southern California Edison that said the company "grossly failed to appropriately model" conditions in the steam generators it designed and built, leading to the early retirement of the power plant.

Edison argues that Mitsubishi is liable for costs that could run into the millions or even billions of dollars.

In a statement, Mitsubishi called SCE's contentions "factually incorrect, legally unsound and inappropriate." The company said it will defend itself through a dispute resolution process.

The steam generators "were designed and manufactured with SCE's full supervision and approval and in accordance with well-established and accepted codes and standards along with our own knowledge and experience plus that of outside experts," Mitsubishi said.

The plant was shut down last year because of premature wear on thousands of steam generator tubes that carry radioactive water from the plant's twin reactors. The steam generators were installed in a \$670 million overhaul in 2009 and 2010. SCE announced last month that it will be closing the plant for good.

In legal documents, the utility claims Mitsubishi Heavy Industries Ltd. and Mitsubishi Nuclear Energy Systems are liable for the defective generators, along with costs ranging from buying replacement power to the investment in the now-shuttered plant that the company earlier estimated at over \$2 billion.

Majority owner SCE and co-owners San Diego Gas & Electric and the city of Riverside "continue to incur significant financial harm as a result of Mitsubishi's total and fundamental failure to meet its obligations," the filing said.

Mitsubishi said that its contract with SCE limits its liability to around \$137 million.

The action represents an early step in what could be a protracted battle over blame for the plant's closure and who should cover the losses.

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In a separate case, state utility regulators are considering who should pay for Mitsubishi's replacement generators, ratepayers or shareholders. A decision could be months, or years, away. Any money Edison recovers from Mitsubishi could reduce the exposure of ratepayers.

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