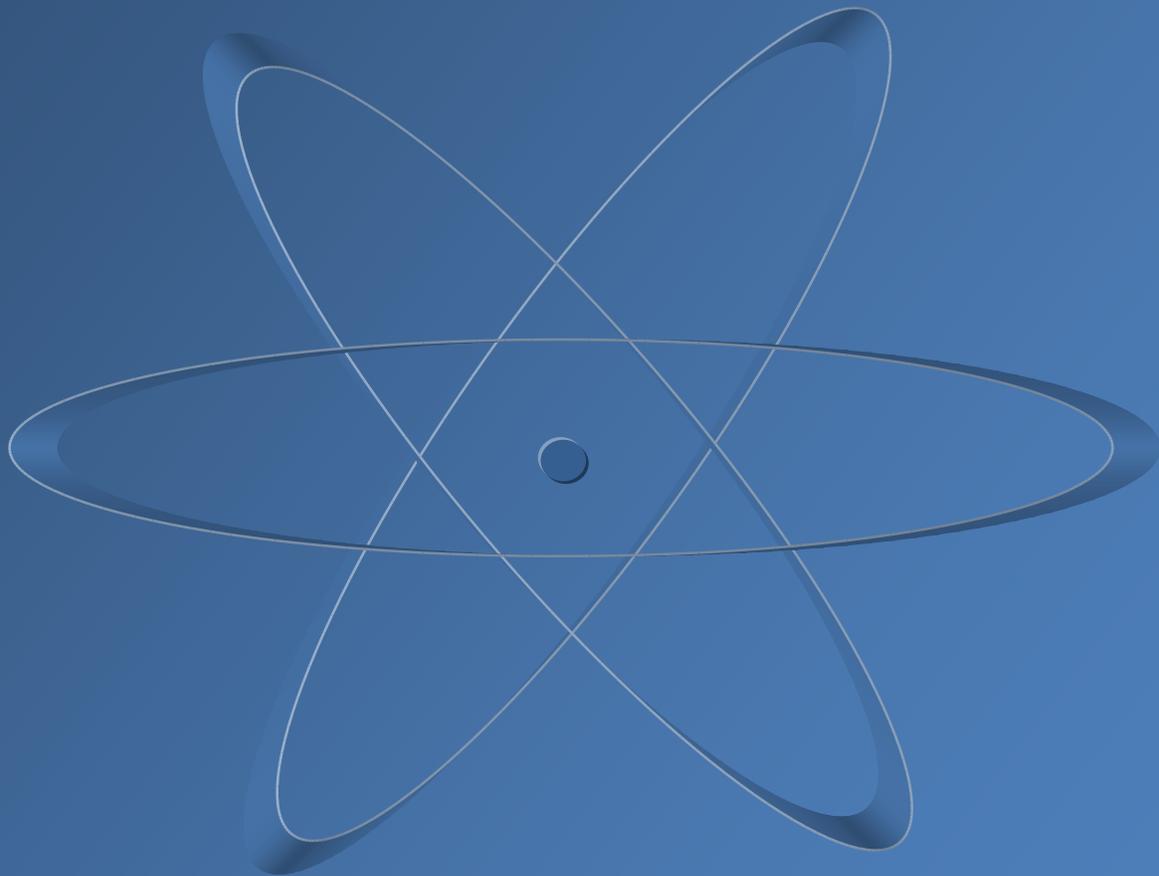


South Carolina Office of Regulatory Staff
Review of South Carolina Electric & Gas Company's
2012 4th Quarter Report on
V. C. Summer Units 2 and 3
Status of Construction



April 19, 2013



Table of Contents

Executive Summary	(1)
Introduction and Background	(2)
Approved Schedule Review	(4)
<i>Milestone Schedule</i>	(4)
<i>Historical Milestones</i>	(5)
<i>Future Milestones</i>	(6)
<i>Specific Construction Activities</i>	(7)
<i>Critical Path Activities</i>	(8)
<i>Transmission</i>	(10)
<i>Change Orders and Amendments</i>	(12)
Licensing and Inspection Activities	(14)
<i>Federal Activities</i>	(14)
<i>State Activities</i>	(14)
Approved Budget Review	(16)
<i>Capital Costs</i>	(16)
<i>Project Cash Flow</i>	(16)
<i>AFUDC and Escalation</i>	(18)
<i>Annual Request for Revised Rates</i>	(18)
Additional ORS Monitoring Activities	(19)
Construction Challenges	(20)
<i>Nuclear Island Basemat</i>	(20)
<i>Structural Modules</i>	(20)
<i>Shield Building Modules</i>	(20)
<i>Structural Design Compliance</i>	(21)
<i>Instrumentation and Control Design</i>	(21)
<i>Overlapping Unit 2 & Unit 3 Construction Schedules</i>	(22)
<i>Manufacturing of Major Equipment</i>	(22)
Notable Activities Occurring After December 31, 2012	(23)
<i>Update Filing</i>	(23)
<i>Nuclear Island Basemat</i>	(23)
<i>NRC Licensing</i>	(23)

Appendices

Appendix A: *Detailed Milestone Schedule as of December 31, 2012*

Appendix B: *Construction Site Photographs*

Appendix C: *License Amendment Requests*

Appendix D: *NRC License Amendment Approvals*

Appendix E: *SCE&G Basemat Concrete Press Release*

Appendix F: *NRC Annual Assessment Letter VCS Units 2 & 3*

Executive Summary

On February 13, 2013, South Carolina Electric and Gas Company submitted its 2012 4th Quarter Report related to construction of the Units. The Report is filed in Commission Docket No. 2008-196-E and covers the quarter ending December 31, 2012. With reference to the Base Load Review Act, ORS's review of the Company's Report focuses on SCE&G's ability to adhere to approved schedule and the approved budget.

Approved Schedule Review

SCE&G's Milestone Schedule indicates that overall construction supports a substantial completion date of March 15, 2017 for Unit 2 and May 15, 2018 for Unit 3. ORS's review of the schedule approved in Order No. 2012-884 and the Engineering and Procurement Contract confirms that the project remains on schedule with the schedule criteria established in the Base Load Review Order. As of December 31, 2012 eighty-one (81) of the 146 (or 55%) milestone activities had been completed. Construction activities continued, with the electrical switchyard being declared substantially complete and significant progress being made on the Containment Vessel. However, concrete and rebar work in the V.C. Summer Nuclear Station Unit 2 Nuclear Island was on hold for most of the quarter pending resolution of issues raised by the NRC during the September 2012 monthly civil inspection. Subsequent to the end of the quarter, these issues were resolved and basemat concrete was poured on March 11, 2013.

ORS has identified several ongoing construction challenges that pose a potential risk to the on-time completion of the project. These are areas that ORS is monitoring closely. The most significant issue is the delay in the delivery of the structural submodules. Despite continuing high-level management and executive focus from the Shaw Group, Incorporated, Westinghouse Electric Company and SCE&G, the delivery and quality problems associated with these submodules are still not satisfactorily resolved. Delays in these submodules affect almost all subsequent critical path sequences in the construction schedule.

Approved Budget Review

An increase to the base project cost totaling approximately \$278 million was approved by the Commission in Order No. 2012-884 on November 15, 2012. Petitions for Rehearing and/or Reconsideration were filed on behalf of the Sierra Club and the South Carolina Energy Users Committee. Both of these petitions were denied via Order No. 2013-5 issued on February 14, 2013. Subsequent to the end of the quarter, the South Carolina Energy Users Committee and the Sierra Club have filed appeals with the Supreme Court of South Carolina.

The current approved base project cost in 2007 dollars is \$4.548 billion. There has been no increase in the total base project cost (in 2007 dollars). With escalation applied, the total cash flow budgeted for the project is \$5.516 billion. The cumulative amount spent on the project as of December 31, 2012 was \$1.773 billion. The cumulative project cash flow is forecasted to be approximately \$92.127 million under budget at the end of 2013. Due to escalation, an increased project cash flow of approximately \$49.086 million is necessary to complete the project in 2018.

Introduction and Background

On March 2, 2009, the Public Service Commission of South Carolina (“Commission”) approved South Carolina Electric & Gas Company’s (“SCE&G” or the “Company”) request for the construction of V.C. Summer Nuclear Station Units 2 and 3 (the “Units”) and the Engineering, Procurement and Construction (“EPC”) Contract. This approval can be found in the Base Load Review Order No. 2009-104(A) filed in Docket No. 2008-196-E. On January 21, 2010, the Commission approved the Company’s request to update milestones and capital cost schedules in Order No. 2010-12, which is filed in Docket No. 2009-293-E. On May 16, 2011, the Commission approved SCE&G’s petition for revisions and updates to capital cost schedules in Order No. 2011-345, which is filed in Docket No. 2010-376-E.

The anticipated dependable capacity from the Units is approximately 2,234 megawatts (“MW”), of which 55% (1,228 MW) will be available to serve SCE&G customers. South Carolina Public Service Authority (“Santee Cooper”) is expected to receive the remaining 45% (1,006 MW) of the electric output when the Units are in operation, and is paying 45% of the costs of the construction of the Units. In October 2011, SCE&G and Santee Cooper executed the permanent construction and operating agreements for the project. The agreements grant SCE&G primary responsibility for oversight of the construction process and operation of the Units as they come online. On March 30, 2012 the Nuclear Regulatory Commission (“NRC”) voted to issue SCE&G a Combined Construction and Operating License (“COL”) for the construction and operation of the Units.

In 2010, SCE&G reported that Santee Cooper began reviewing its level of ownership participation in the Units. Since then, Santee Cooper has sought partners in its 45% ownership. Santee Cooper signed a Letter of Intent with Duke Energy Carolinas, LLC in 2011. On April 13, 2012, Santee Cooper issued a press release announcing it had signed a Letter of Intent with South Mississippi Electric Power Association for the opportunity to secure 2 to 7 percent of the capacity and energy output from the Units (roughly 4 to 15 percent of Santee Cooper’s 45% interest). On April 24, 2012, Santee Cooper issued another press release announcing it signed a Letter of Intent to provide for negotiations for the purchase of 2 to 5 percent (roughly 4 to 11 percent of Santee Cooper’s 45% ownership) of the Units with American Municipal Power, Inc. These press releases can be found as Appendices C and D, respectively, in the South Carolina Office of Regulatory Staff’s (“ORS’s”) 2012 1st Quarterly Report.

On May 15, 2012, SCE&G filed an application with the Commission in Docket No. 2012-203-E for updates and revisions to schedules related to the construction of the Units (“Update Filing”). The Update Filing indicated that SCE&G intended to delay the substantial completion date of Unit 2 from April 2016 until March 2017, while advancing the substantial completion date for Unit 3 from January 2019 to May 2018. The requested schedule changes, along with an increase to the base project cost totaling \$278.05 million, were approved by the Commission in

Order No. 2012-884 on November 15, 2012.¹ Petitions for Rehearing or Reconsideration were filed on behalf of the Sierra Club and the South Carolina Energy Users Committee. Both of these petitions were denied via Commission Directive on December 12, 2012. The changes associated with these new substantial completion dates will be updated in the Company's EPC Contract with Westinghouse Electric Company ("WEC") and The Shaw Group, Incorporated ("Shaw").

On February 13, 2013, SCE&G submitted its 2012 4th Quarter Report ("Report") related to construction of the Units. The Report is filed in Commission Docket No. 2008-196-E and covers the quarter ending December 31, 2012. The Company's Report is submitted pursuant to S.C. Code Ann. § 58-33-277 (Supp. 2012) of the Base Load Review Act ("BLRA"), which requires the Report to include the following information:

1. Progress of construction of the plant;
2. Updated construction schedules;
3. Schedules of the capital costs incurred including updates to the information required in Section 58-33-270(B)(5);
4. Updated schedules of the anticipated capital costs; and
5. Other information as the Office of Regulatory Staff may require.

With reference to Section 58-33-275(A) of the BLRA, ORS's review of the Company's Report focuses on SCE&G's ability to adhere to (1) the approved construction schedule and (2) the approved capital cost schedule.

¹ Petitions for Rehearing or Reconsideration were filed on behalf of the Sierra Club and the South Carolina Energy users Committee. Both of these petitions were denied via Commission Order No. 2013-5 issued on February 14, 2013. The Sierra Club and the South Carolina Energy Users Committee subsequently filed appeals with the Supreme Court of South Carolina. Those appeals are now pending.

Approved Schedule Review

Milestone Schedule

As of December 31, 2012, ORS verified that of the Milestone Schedule's 146 activities:

- Eighty-one (81) milestone activities have been completed (includes eighty (80) historical milestones and one (1) future milestone)
- Sixty-five (65) milestone activities are yet to be completed (includes six (6) delayed historical and fifty-nine (59) future milestones)

ORS also verified that during the 4th Quarter of 2012:

- Five (5) milestone activities were scheduled to be completed
 - One (1) of these milestones has been completed
 - Four (4) of these milestones have not been completed

Per the Base Load Review Order, overall construction is considered to be on schedule if the substantial completion dates are not accelerated more than twenty-four (24) months or delayed more than eighteen (18) months. As part of its review of the approved schedule, ORS identifies Caution Milestones. Caution Milestones are those that have been delayed ten (10) months or longer. If any Milestone is delayed sixteen (16) months or greater, ORS may issue a formal notification to the Commission of the delay. As of the end of the 4th quarter of 2012, ORS identified one (1) Caution Milestone.

- **Milestone Activity No. 93** – *Integrated Head Package Shipment of Equipment to Site – Unit 2.*

Status: Delayed 10 months.

This activity was scheduled to be completed by March 31, 2013. Its revised target completion date is January 31, 2014. This milestone is delayed due to design changes on components of the Integrated Head Package. The revised delivery date, while delayed, still supports the site need date for construction activities.

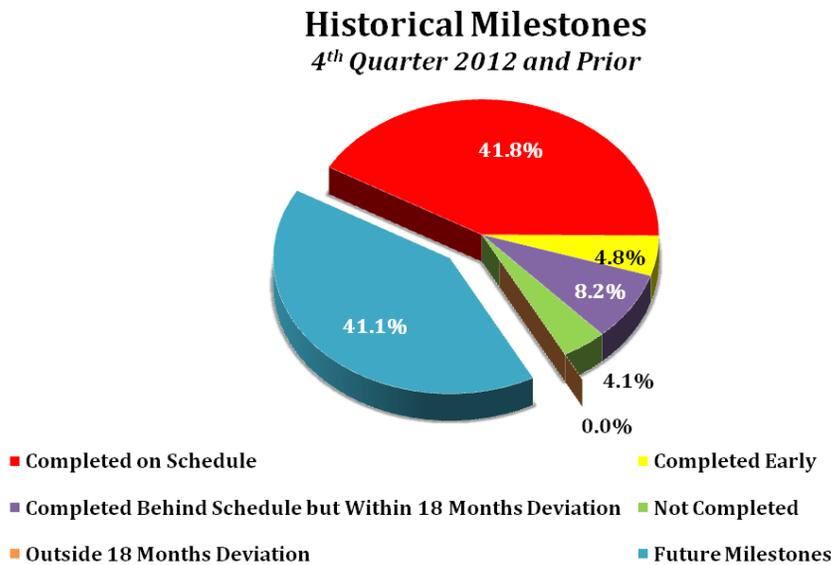
SCE&G's Milestone Schedule attached to the Report indicates that overall construction supports a substantial completion date of March 15, 2017 for Unit 2 and May 15, 2018 for Unit 3. ORS's review of the schedule approved in Order No. 2012-884 and the EPC Contract confirms that the project remains on schedule with the schedule criteria established in the Base Load Review Order. Appendix A shows details of the Milestone Schedule as of December 31, 2012.

Table 1 shows the status of the eighty-six (86) historical milestones and Chart 1 shows the status of all 146 milestones for the 4th quarter of 2012 and prior.²

Table 1:

Historical Milestones <i>4th Quarter 2012 and Prior</i>		
86 of 146 Total Milestones		
	# of Milestones	% of All Milestones³
Completed on Schedule	61	41.8%
Completed Early	7	4.8%
Completed Behind Schedule but Within 18 Months Deviation	12	8.2%
Not Completed	6	4.1%
Outside 18 Months Deviation	0	0.0%
Total Historical Milestones	86	58.9%

Chart 1:



² The numbers reported by ORS and SCE&G may vary. For reporting purposes, ORS applies a 30 day threshold before a milestone is deemed accelerated or delayed. SCE&G uses a threshold less than 30 days. For instance, if a milestone is scheduled to be completed January 2, 2013 and the actual completion date is December 29, 2012, SCE&G deems the milestone as completed one month early since it is completed in a prior calendar month. ORS would report this milestone as being accomplished on schedule since it was completed within 30 days of the scheduled completion date.

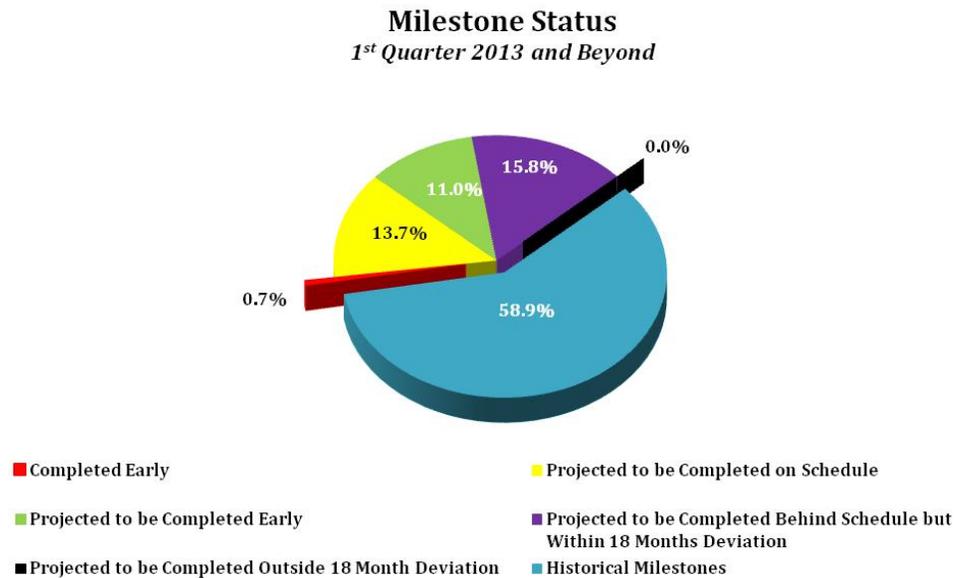
³ Slight variances may occur due to rounding.

Table 2 shows the status of the sixty (60) future milestones and Chart 2 shows the status of all 146 milestones for the 1st quarter 2013 and beyond.

Table 2:

Future Milestones <i>1st Quarter 2013 and Beyond</i> 60 of 146 Total Milestones		
	# of Milestones	% of All Milestones⁴
Completed Early	1	0.7%
Projected to be Completed on Schedule	20	13.7%
Projected to be Completed Early	16	11.0%
Projected to be Completed Behind Schedule but Within 18 Months Deviation	23	15.8%
Projected to be Outside 18 Months Deviation	0	0.0%
Total Future Milestones	60	41.1%

Chart 2:



⁴ Slight variances may occur due to rounding.

ORS reviews all invoices associated with the Milestone Schedule and during the 4th quarter of 2012, there were two (2) invoices paid. ORS reviews invoices to ensure that the invoices are paid in accordance with Company policies and practices and in accordance with the terms of the EPC contract. ORS also reviews the escalation applied to these invoices for consistency with the appropriate Handy Whitman inflation indices.

Specific Construction Activities

Major construction activities during the 4th quarter of 2012 are listed below:

- Concrete and rebar work in the Unit 2 Nuclear Island was on hold for most of the quarter pending resolution of issues raised by the NRC during the September 2012 monthly civil inspection. The NRC identified issues with (1) the design compliance of T-shaped connections being used to terminate the floor rebar at the wall connection (“T-heads”), (2) quality related to the bend radius of fabricated rebar, (3) spacing of the rebar to ensure adequate shear strength of the basemat and (4) questions from the NRC regarding rebar design surrounding the Nuclear Island elevator pit and sumps. The Company remedied the first two issues, but the issue regarding the rebar spacing and design continued to be a challenge for the project for the duration of the quarter. Subsequent to the end of the quarter, the Company filed two (2) License Amendment Requests (“LARs”) with the NRC regarding these issues. The pouring of basemat concrete is a critical path activity for Unit 2.
- The concrete basemat was poured for the Unit 2 Turbine Building.
- Unit 2 Containment Vessel (“CV”) construction activities continued, with Shaw installing exterior rebar on the CV Bottom Head. Chicago Bridge and Iron (“CB&I”) continues to work on the CV ring segments, with fit-up and welding of the ring segments continuing during the quarter. Ground preparation for the assembly of Unit 3 CV Bottom Head was also completed during the quarter.
- Construction of the Unit 2 CR10 Module (Nuclear Island CV support structure) was completed during 2nd quarter 2012, but some rework was required during the 4th quarter to make changes to the rebar configuration and to verify the adequacy of the lifting lug design. Shaw continued to reinstall rebar on the CR10 structure throughout the quarter.
- Several CA20 submodules were installed on the CA20 Platen inside the Module Assembly Building (“MAB”) during the quarter in preparation for welding. A total of thirty-four (34) CA20 submodules had been delivered to the site as of the end of the 4th quarter of 2012, with six (6) of these arriving on site during the 4th quarter of 2012. It was determined as a result of a WEC design review that the weld process used at many points on the modules, called a “fillet weld”, did not meet the requirement reflected in

the current licensing basis drawings for a full penetration weld. Shaw plans to repair welds in the affected CA20 submodules. The welds are scheduled to be repaired on the project site. These pending unresolved issues precluded the welding of the submodules inside the MAB during the quarter. The delivery and assembly of all of the structural modules, including CA20, is a critical path activity.

- Construction of the CA01 Platen inside the MAB was completed during 2nd quarter 2012. As of December 31, 2012, no CA01 submodules have been received on site. Assembly of the CA01 module is a critical path activity as CA01 must be set before installation of CV ring segments can progress beyond the 1st ring.
- Geologic mapping of the Unit 3 Nuclear Island and Turbine Island subfoundations were completed during the quarter. The placement of leveling concrete in the Unit 3 Nuclear Island began in December 2012. This is a critical path activity for Unit 3.
- Work continued on the Cooling Towers throughout the quarter. Precast components for Cooling Tower 2A were set into place. Circulating Water System (“CWS”) supply and return piping were completed for Cooling Towers 3A and 3B. Fill and grading work for the area where Cooling Tower 2B is to be placed continued during the quarter, along with grading work and other site preparation for the CWS pump house basins.
- Construction of the electrical switchyard was substantially completed during the quarter. It is anticipated that the switchyard will be energized in the 1st quarter of 2013. This date supports the project schedule.

Photographs of 4th quarter construction activities are shown in Appendix B.

Critical Path Activities

Critical path activities are those that drive the construction schedule. These assessments are based on previous critical paths and projected future critical paths.

- **Unit 2 Basemat:** The pouring of safety related concrete in the Unit 2 Nuclear Island began during the 2nd quarter of 2012 and continued in the 3rd quarter of 2012. This consists of leveling concrete, followed by the mudmat. This will be followed by the pouring of the safety-related concrete of the basemat, which is referred to as first nuclear concrete (“FNC”). The pouring of the mudmat was previously scheduled to occur in June 2011, but was completed during the 3rd quarter of 2012. Pouring of the basemat was scheduled to begin during the 4th quarter of 2012. However, due to the unresolved issues previously mentioned regarding rebar design, this was delayed. This critical path activity continued to experience schedule challenges throughout the quarter and is behind schedule.

- **Unit 2 CA01 Module:** Field assembly of the Unit 2 CA01 module was previously scheduled to begin in June 2011 but has not yet begun. The module segments required for the CA01 module are to be fabricated by Shaw Modular Solutions (“SMS”), and the delivery of these segments is behind schedule.

In previous quarterly reports, ORS discussed deficiencies related to SMS’s Quality Assurance Program (“QAP”). Additionally, production of the module segments has been repeatedly delayed due to module redesign and production issues. Since March 2012, SCE&G is maintaining a full-time presence at the SMS facility, in addition to the previously-assigned WEC full-time presence, to monitor production and QAP issues. Also, monthly management meetings among SCE&G, WEC, Shaw and SMS are being held to monitor SMS progress. On October 24, 2012, SMS was issued a Notice of Nonconformance by the NRC for its QAP program. Responses to this Notice of Nonconformance were due to the NRC by November 30, 2012. However, SMS requested and was granted an extension until January 11, 2013 to submit a response.

The continued issues at SMS affect construction of the CA01 and CA20 modules inside the MAB. Efforts continue to re-baseline the schedule. ORS will continue to closely monitor and report on issues related to SMS. As the CA01 module must be placed before the setting of the CV rings can progress beyond the 1st ring this is a critical path activity. This critical path activity is behind schedule.

- **Unit 2 CA20 Module:** Site assembly of the CA20 module was previously scheduled to begin in November 2010, and the module was previously scheduled to be set prior to the end of the 4th quarter of 2011. CA20 submodule segments are being fabricated by SMS. As of the end of the 3rd quarter of 2012 a sufficient quantity of submodules had been received on site to begin assembly of the module. However, WEC identified a discrepancy regarding welds in certain structural modules between WEC’s technical drawings and the NRC approved design. This issue is part of a larger class of issues relating to discrepancies between the design specification and the NRC approved design. WEC and SCE&G undertook a comprehensive review of these issues and determined that certain fillet welds were required to be repaired to reflect the full penetration welds required by the COL. It was determined that the repairs to the CA20 submodules would be performed on site, and the process of selecting a specialty contractor to make these repairs was initiated. Assembly of the modules was suspended pending production of a plan to remedy these discrepancies and make the necessary repairs. This critical path activity is behind schedule.
- **Unit 2 Containment Vessel and Shield Building:** The Containment Vessel bottom-head segments were delivered early, and assembly is currently on schedule. Because of the production and quality issues associated with SMS, fabrication of the Shield Building modules has been reassigned to Newport News Industries (“NNI”). Mobilization and preparation for production continued at NNI throughout the quarter. In addition, mock-up materials were delivered to the site to test field activities related to the installation of the Shield Building modules. Installation of the CV and the Shield

Building is dependent on the placement of the Unit 2 basemat. The critical path for the schedule recently approved in the Update Filing runs directly from the basemat pour through these activities. As the basemat pour has been delayed, this critical path activity is currently behind schedule.

- **Unit 3 Basemat:** Excavation and blasting has been completed in the Nuclear Island and Turbine Island areas. Geologic mapping of the subfoundation was completed in October of 2012, and this activity received a favorable NRC inspection report. The pouring of leveling concrete commenced in December of 2012. This critical path activity is on schedule.

Transmission

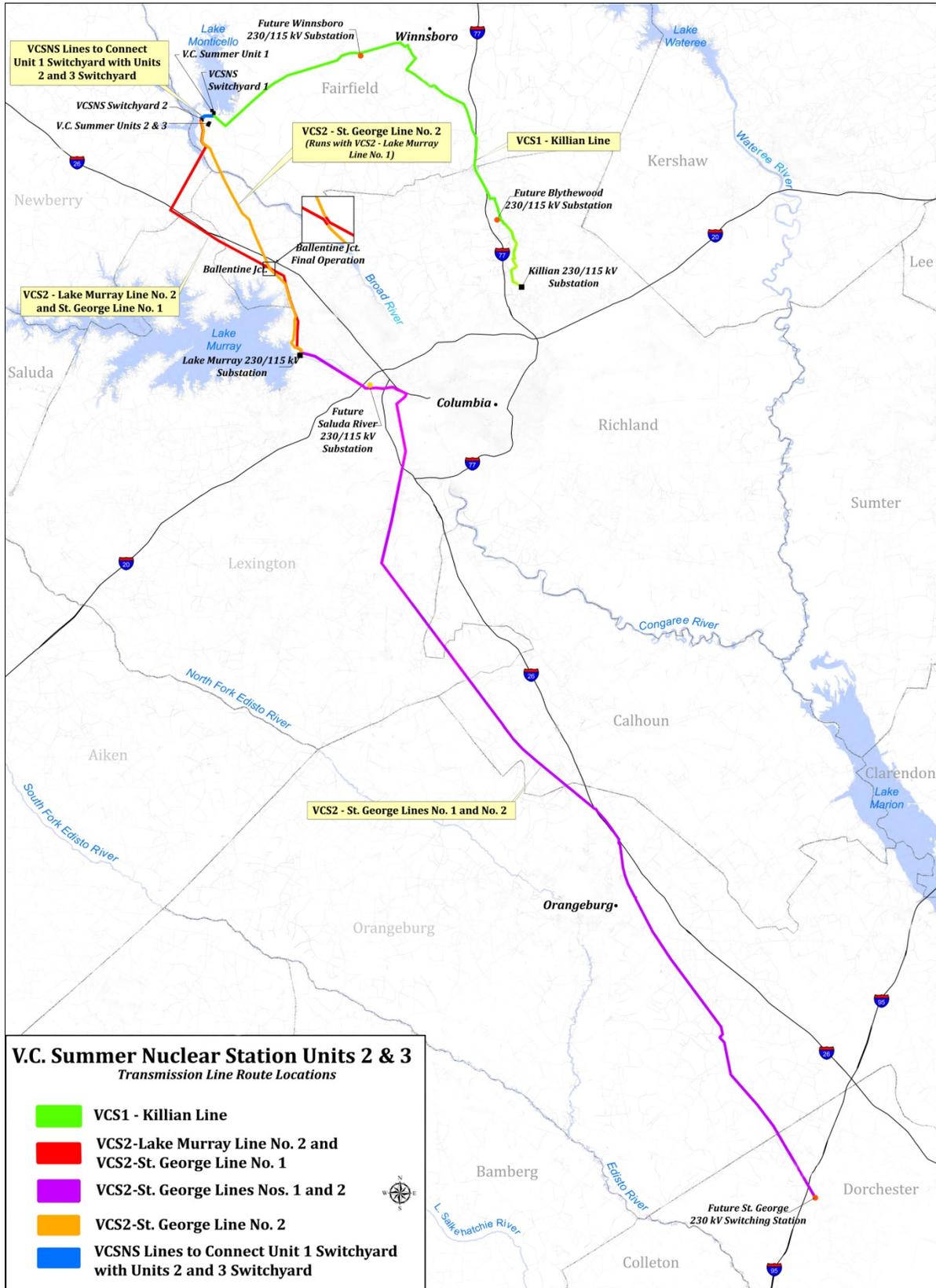
On February 28, 2011, SCE&G entered into a contract with Pike Electric for the permitting, engineering and design, procurement of material, and the construction of four (4) 230 kV transmission lines and associated facilities related to the Units. This project will consist of two phases.

Phase 1 consists of construction of two (2) new 230 kV transmission lines in support of Unit 2: the VCS1–Killian Line and the VCS2–Lake Murray Line. The VCS1–Killian Line will connect the existing V.C. Summer Switchyard (“Switchyard 1”) to the Company’s existing Killian Road 230 kV Substation. The VCS2–Lake Murray Line will connect the newly-constructed Switchyard (“Switchyard 2”) to the Company’s existing Lake Murray 230 kV Substation. Switchyard 2 will allow the connection of both the Unit 2 and Unit 3 generators to the grid. Also, for Phase 1, two (2) new 230 kV interconnections between Switchyard 1 and Switchyard 2 will be constructed. Construction of the Phase 1 lines continued during the 4th quarter of 2012. As of December 31, 2012, the VCS1–Killian Line was approximately eighty percent (80%) complete and the VCS2–Lake Murray Line was approximately forty percent (40%) complete.

Phase 2 consists of construction of two (2) new 230 kV transmission lines and associated facilities in support of Unit 3. These consist of the VCS2–St. George Line #1, VCS2–St. George Line #2, St. George 230 kV Switching Station, and Saluda River 230/115 kV Substation. Both the VCS2–St. George Line #1 and VCS2–St. George Line #2 will connect Switchyard 2 to the yet-to-be constructed St. George 230 kV Switching Station. Additionally, a third new 230 kV interconnection between Switchyard 1 and Switchyard 2 will be required for Phase 2. SCE&G also entered into an agreement to purchase the site for the Saluda River 230/115 kV Substation, to be built adjacent to and interconnect with the VCS2–St. George lines. The preliminary environmental assessment of this site has been completed.

Map 1 shows the geographical location of SCE&G’s new transmission lines and other SCE&G associated facilities to support the Units.

Map 1: New SCE&G Transmission Lines and Facilities Supporting V.C. Summer Units 2 & 3



On June 1, 2012, the Company filed its application for Phase 2 of the project with the Commission in Docket No. 2012-225-E. A hearing was conducted on August 22, 2012, and Order No. 2012-730 approving the application was issued by the Commission on September 26, 2012. Construction of the lines and associated facilities approved in Order No. 2012-730 has not yet begun.

Change Orders and Amendments

During the 4th quarter of 2012, no Change Orders or Amendments were executed. One (1) Change Order was under negotiation at the end of the 4th quarter 2012. This Change Order would incorporate the settlement agreement with WEC/Shaw into the EPC Contract. The costs associated with this change order are incorporated in the Company's Update Filing.

Table 3 details all Change Orders and Amendments. A list of definitions for each type of Change Order is found below.

- **Contractor Convenience:** These changes are requested by the contractor. They are undertaken at the contractor's own expense, and are both generally consistent with the contract and reasonably necessary to meet the terms of the contract.
- **Entitlement:** The contractor is entitled to a Change Order in the event certain actions occur, including changes in law, uncontrollable circumstances, and other actions as defined in the contract.
- **Owner Directed:** These changes are requested by the Company.

Table 3:

Change Orders and Amendments					
No.	Summary	Cost Categories Involved	Type of Change	Date Approved	Status
1	Operator training for WEC Reactor Vessel Systems and Simulator training	Fixed Price with 0% escalation ⁵	Owner Directed	7/22/2009	Approved
2	Limited Scope Simulator	Firm Price	Owner Directed	9/11/2009	Approved
3	Repair of Parr Road	Time and Materials	Owner Directed	1/21/2010	Approved
4	Transfer of Erection of CA20 Module from WEC to Shaw	Target Price work shifting to Firm Price	Contractor Convenience	N/A	Superseded by Change Order No. 8
5	<i>*Supplements Change Order No. 1*</i> Increased training by two (2) weeks	Fixed Price with 0% escalation ⁵	Owner Directed	5/4/2010	Approved
6	Hydraulic Nuts	Fixed Price	Owner Directed	7/13/2010	Approved
7	St. George Lines #1 & 2	Firm and Target Price Categories	Entitlement	7/13/2010	Approved
8	Target to Firm/Fixed Shift	Target, Firm and Fixed Price Categories	Owner Directed	4/29/2011	Approved
9	Switchyard Lines Reconfiguration	Firm and Target Price Categories	Owner Directed	11/30/2010	Approved
10	Primavera	Fixed Price with 0% escalation	Owner Directed	12/16/2010	Approved
11	COL Delay Study	Fixed Price, but would be applied to T&M Work Allowances	Owner Directed	2/28/2011	Approved
12	2010 Health Care Act Costs	Firm	Entitlement	11/14/2011	Approved
13	Ovation Workstations	No Cost	Owner Directed	3/12/2012	Approved
14	Cyber Security Phase 1	Firm Price and T&M Price	Entitlement	3/15/2012	Approved
15	Liquid Waste System Discharge Piping	Firm Price	Owner Directed	3/15/2012	Approved

Amendment #1	Includes Change Orders 1 and 2	Executed on 8/2/2010
Amendment #2	Incorporates Change Orders 3, 5-11	Executed on 11/15/2011
Amendment #3	Includes modified insurance wording	Executed on 4/30/12

⁵ Fixed Price with 0% escalation, but would be applied to Time and Materials Work Allowances by adding a new category for Simulator Instructor training and reducing Startup Support by a commensurate amount.

Licensing and Inspection Activities

Federal Activities

As of December 31, 2012, SCE&G has identified the need to submit a total of fifty-one (51) LARs to the NRC. A LAR is the process by which a licensee requests changes to the COL issued by the NRC. The licensee may request a Preliminary Amendment Request (“PAR”) to accompany a LAR. PARs allow the licensee to continue with construction at its own risk while awaiting final dispensation of the LAR. A table of LARs submitted to the NRC, and accompanying PARs, if requested, is attached as Appendix C. LARs relating to the Nuclear Island basemat that were approved subsequent to the end of the quarter are discussed in more detail in the section entitled “Construction Challenges.”

The NRC conducts monthly civil inspections to monitor construction progress. While no additional issues were identified in the monthly civil inspections, discussions continued during the quarter surrounding the unresolved issue (“URI”) related to concrete reinforcement in the basemat elevator pits and sump areas discussed in ORS’s 3rd Quarter Report. On December 21, 2012, the NRC re-exited the September 2012 Monthly Civil Inspection identifying this as a potential violation. Further activities surrounding this potential violation are discussed in more detail in the section entitled “Notable Activities Occurring After December 31, 2012.”

In addition to these civil inspections, two additional inspections were performed at the project site during the quarter. A quality assurance inspection was conducted on October 26, 2012. This inspection resulted in two (2) URIs related to drawing and weld inspections. These issues have since been resolved. A Corrective Action Program (“CAP”) inspection was also conducted on November 9, 2012. The NRC identified two (2) URIs in this inspection, which have subsequently been identified as Green findings in a Notice of Violation. Green findings are defined by the NRC as findings with very low safety significance. Approval of the CAP is important as it allows the Company to more easily self-report issues that are identified and the associated corrective actions.

The NRC is also closely monitoring the testing of squib valves, which are a type of valve used in the passive safety system of the Units. A series of conference calls with the NRC is scheduled for the 1st quarter of 2013 to discuss the testing program for squib valves.

State Activities

SCE&G submitted a National Pollutant Discharge Elimination System (“NPDES”) permit application to the South Carolina Department of Health and Environmental Control (“DHEC”)

during the 1st quarter of 2012. The NPDES permit is required to discharge water into the Parr Reservoir, and must be obtained before the construction of the Raw Water System and Wastewater System. A public hearing for the permit was held on June 19, 2012, with the public comment period expiring September 17, 2012. After the close of the comment period, DHEC made four (4) changes to the draft permit. DHEC issued the permit to SCE&G on October 11, 2012. The decision to issue the permit was appealed, but the appeal was denied by DHEC on November 8, 2012. The decision was further appealed; however the court returned the filing due to non-payment of the required filing fees by the party appealing the decision.

Approved Budget Review

ORS's budget review includes an analysis of the 4th quarter 2012 capital costs, project cash flow, escalation and Allowance for Funds Used During Construction ("AFUDC").

Capital Costs

To determine how consistently the Company adheres to the budget approved by the Commission in Order No. 2012-884, ORS evaluates nine (9) major cost categories for variances. These cost categories are:

- Fixed with No Adjustment
- Firm with Fixed Adjustment A
- Firm with Fixed Adjustment B
- Firm with Indexed Adjustment
- Actual Craft Wages
- Non-Labor Cost
- Time & Materials
- Owners Costs
- Transmission Projects

ORS monitors variances due to project changes (e.g., shifts in work scopes, payment timetables, construction schedule adjustments, Change Orders). At the end of the 4th quarter of 2012, SCE&G's total base project cost (in 2007 dollars) is \$4.548 billion.

Project Cash Flow

As shown in Appendix 2 of the Company's Report, the cumulative amount spent on the project as of December 31, 2012 is \$1.773 billion. The cumulative amount forecasted to be spent on the project by December 31, 2013 is \$2.730 billion.

With reference to Appendix 2, ORS evaluated the total revised project cash flow (Line 37) with respect to the annual project cash flow, adjusted for changes in escalation (Line 16). This evaluation provides a comparison of the Company's current project cash flow to the cash flow schedule approved by the Commission in Order No. 2012-884. To produce a common basis for the comparison, Line 16 adjusts the approved cash flow schedule to reflect the current escalation rates. As of December 31, 2012, the comparison shows the yearly maximum annual variance from the approved cash flow schedule through the life of the project. The comparison also shows that the cumulative project cash flow is forecasted to be approximately \$92.127 million under budget at the end of 2013. Due to escalation, at the completion of the project in

2018 the cumulative project cash flow is forecasted to be approximately \$49.086 million over budget.

Table 4 shows the annual and cumulative project cash flows as compared to those approved in Order No. 2012-884.

Table 4:

Project Cash Flow Comparison			
<i>\$'s in Thousands ⁶</i>			
		Annual Over/(Under)	Cumulative Over/(Under)
Actual	2007	-	-
	2008	\$0	\$0
	2009	\$0	\$0
	2010	\$0	\$0
	2011	\$0	\$0
	2012	(\$133,947)	(\$133,947)
Projected	2013	\$41,820	(\$92,127)
	2014	(\$16,443)	(\$108,570)
	2015	\$45,356	(\$63,214)
	2016	\$15,762	(\$47,451)
	2017	\$79,592	\$32,140
	2018	\$16,946	\$49,086

In summary, the Report shows no increase in the total base project cost (in 2007 dollars). Due to escalation, an increased project cash flow of approximately \$49.086 million is necessary to complete the project in 2018. These forecasts reflect the updated capital cost schedules approved in Order No. 2012-884, the current construction schedule and the inflation indices in the Company's Appendix 4. This increased project cash flow is due to increased escalation resulting from construction delays since the filing.

⁶ Slight variances may occur due to rounding.

AFUDC and Escalation

The forecasted AFUDC for the total project as of the end of the 4th quarter of 2012 is \$214.730 million and is currently based on a forecasted 5.28% AFUDC rate.

As previously reported by ORS in its reviews of SCE&G's Quarterly Reports, the decline in the five-year average escalation rates reduces the projected project cash flow. Current worldwide economic conditions continue to reduce the projected escalation cost of the project. Primarily due to the decrease in escalation rates, the overall project is considered under budget. More specifically, as of December 31, 2012, the SCE&G forecasted gross construction cost of the plant is \$5.698 billion as compared to the approved gross construction cost of \$5.754 billion, which represents a decrease of approximately \$56 million.

Annual Request for Revised Rates

Pursuant to the BLRA, SCE&G may request revised rates no earlier than one year after the request of a Base Load Review Order or any prior revised rates request. SCE&G filed its Annual Request for Revised Rates with the Commission in Docket No. 2012-186-E on May 30, 2012, the anniversary date of SCE&G's previous request for revised rates. The Commission approved an increase of \$52,148,913 (2.33%) in Order No. 2012-761.

Table 5 below shows the requested increases and approved increases from all prior Revised Rate Filings with the Commission.

Table 5:

Requested vs. Approved Increases <i>SCE&G Revised Rate Filings</i>					
Docket No.	Order No.	Requested Increase	ORS Examination	Approved Increase	Retail Increase
2008-196-E	2009-104(A)	\$8,986,000	(\$1,183,509)	\$7,802,491	0.43%
2009-211-E	2009-696	\$22,533,000	\$0	\$22,533,000	1.10%
2010-157-E	2010-625	\$54,561,000	(\$7,260,000)	\$47,301,000	2.31%
2011-207-E	2011-738	\$58,537,000	(\$5,753,658)	\$52,783,342	2.43%
2012-186-E	2012-761	\$56,747,000	(\$4,598,087)	\$52,148,913	2.33%

Additional ORS Monitoring Activities

ORS continually performs the following activities, as well as other monitoring activities as deemed necessary:

- Audits capital cost expenditures and resulting AFUDC in CWIP
- Physically observes construction activities
- Bi-monthly on-site review of construction documents
- Holds monthly update meetings with SCE&G
- Meets quarterly with representatives of WEC
- Participates in NRC Public Meetings regarding SCE&G COL and other construction activities

Construction Challenges

Based upon the information provided by the Company in its Report, as well as information obtained via additional ORS monitoring activities, ORS identifies the following ongoing challenges in the construction of the Units:

Nuclear Island Basemat

The most immediate challenge facing the project during the 4th Quarter was the Nuclear Island basemat concrete pour. Completion of this activity was required before further meaningful progress could be made on construction activities in the Nuclear Island. Due to design and construction issues, approval by the NRC had to be obtained before this work could proceed. SCE&G obtained approval for the proposed changes from the NRC via the LAR and PAR process, with final approval of LAR 13-01 for rebar spacing being issued on February 26, 2013 and final approval of LAR 13-02 for the use of T-heads being issued on March 1, 2013. NRC documentation of the approval of LARs 13-01 and 13-02 is included as Appendix D. Placement of the basemat for Unit 2 was completed on March 11, 2013. A press release regarding the placement of the basemat was issued by the Company and is included as Appendix E.

Structural Modules

The most significant currently identified challenge to the project is the continued inability of SMS to reliably meet the quality and schedule requirements of the project. Despite intense and continuous management focus from SMS, Shaw, WEC and SCE&G, SMS has been unable to meet its revised schedules to deliver submodules to VCS in a timely manner. SMS has also continued to struggle with quality issues, ranging from design compliance to the completion of final inspection paperwork. With the issues surrounding the Nuclear Island basemat concrete pour resolved, this issue is the most immediate challenge to the project. Although SCE&G and Shaw have demonstrated success performing the field activities associated with the on-site assembly of the limited number of CA20 modules received, this area remains as a significant challenge to the Project. Specifically, the on-site weld repairs that need to be made, resulting from an incorrect interpretation of the approved design during the module fabrication process, and the assembly of the submodules into modules to be installed in the Nuclear Island, are significant construction challenges.

Shield Building Modules

Although shield building module fabrication has been reassigned to NNI, thus freeing SMS to concentrate on the structural modules, NNI's performance has not yet been demonstrated. The shield building modules are more complex and present even greater fabrication and erection challenges to the Project than the structural modules. Though some mock-ups have been produced, these mock-ups are only being used for testing purposes. The full extent of challenges in this area remains unknown; however, given the project's history with structural module fabrication, it is an area of concern moving forward. NNI will need to demonstrate sustained and reliable performance in both the quality and on-time delivery of submodules, and Shaw will need to do the same in the area of erecting the shield building modules on-site.

Structural Design Compliance

The issues relating to the basemat design, as well as a portion of the issues relating to the structural modules and shield building modules, are related to compliance with the design approved by the NRC. This structural design compliance is emerging as an issue affecting multiple areas of the project. WEC has had challenges providing accurate directions for fabrication, in part because of differences in the interpretation of the Design Control Document ("DCD") approved by the NRC. Issues range from a lack of compliance to applicable building codes for concrete and rebar to the failure to correctly translate the requirement for full penetration welds in structural modules to documents used for fabrication. This raises questions of whether the overall WEC structural design will face similar challenges at each new phase of construction. WEC has taken steps to engage the services of structural experts from several leading nuclear plant design and engineering firms to assist them in the structural design area, which indicates a commitment to addressing these issues going forward. This is an area that presents a significant continuing challenge to the project, and remains an open concern at this time. The next area of challenges in structural design compliance relates to the connections used between the walls and the Nuclear Island basemat. Sustained progress in this area will be a key indicator of how the project will address the remaining structural compliance issues.

Instrumentation and Control Design

The completion of the WEC Instrumentation and Control ("I&C") design is also presenting a significant challenge to the project. The most obvious impact that is of concern is the effect of this on the availability of the Plant Reference Simulator ("PRS"). The PRS must be available in time to support operator training. The current schedule for delivery of the PRS has very little margin for any delays. However, I&C design must also support plant equipment procurement and construction activities above and beyond those required for completion of the PRS. This is also presenting a significant challenge to the project that must be monitored closely.

Overlapping Unit 2 & Unit 3 Construction Schedules

The delays in starting Unit 2 construction, in particular those associated with NI basemat completion and structural submodule fabrication and erection, may begin to challenge the ability of the project to work on both Units simultaneously while adhering to the approved schedule. This has the potential to result in significant challenges to the Unit 3 construction schedule.

Manufacturing of Major Equipment

Factors such as design changes, labor conditions, shipping conditions, and the financial stability of foreign manufacturers due to financial market conditions must be monitored closely.

Notable Activities Occurring after December 31, 2012

The BLRA allows SCE&G forty-five (45) days from the end of the current quarter to file its Report. Items of importance that occurred subsequent to the closing of the 4th quarter of 2012 are reported below.

Update Filing

The requested schedule changes, along with an increase to the base project cost totaling \$278.05 million, were approved by the Commission in Order No. 2012-884 on November 15, 2012. Petitions for Rehearing or Reconsideration were filed on behalf of the Sierra Club and the South Carolina Energy Users Committee (“SCEUC”). Both of these petitions were denied.. Subsequent to the end of the quarter, SCEUC and the Sierra Club filed appeals with the Supreme Court of South Carolina.

Nuclear Island Basemat

The pouring of the Nuclear Island basemat for Unit 2 was completed on March 11, 2013. This represented the completion of BLRA Milestone 69. A press release regarding the placement of the basemat was issued by the Company and is included as Appendix E.

NRC Licensing

SCE&G received its annual assessment letter from the NRC on March 6, 2013. This letter summarizes inspection activities from January 1, 2012 through December 31, 2012 and is attached as Appendix F. The NRC concluded that, overall, the Units were being constructed in a manner that preserved public health and safety and met all cornerstone objectives. At the time this report was issued, all violations cited were of the Green category, which carry very low safety significance.

On March 26, 2013 the NRC re-exited its September 2012 Monthly Civil Inspection and identified one (1) potential White finding. White findings are findings of low to moderate safety significance. This finding was issued related to design control surrounding the issue of the concrete reinforcement in the basemat elevator pits and sump areas. Two LARs have since been approved by the NRC relating to this issue. The Company has submitted additional documentation to the NRC to help the NRC determine the final significance of this finding and a regulatory conference has been scheduled for April 30, 2013.

SCE&G's 2013 1st quarter report is due forty-five (45) days after March 31, 2013. ORS expects to continue publishing a review evaluating SCE&G's quarterly reports.

Appendix A

Detailed Milestone Schedule as of December 31, 2012

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
1	Approve Engineering, Procurement and Construction Agreement	5/23/2008		No	No	5/23/2008	
2	Issue Purchase Orders ("P.O.") to Nuclear Component Fabricators for Units 2 and 3 Containment Vessels	12/3/2008		No	No	12/3/2008	
3	Contractor Issue P.O. to Passive Residual Heat Removal Heat Exchanger Fabricator - First Payment - Unit 2	8/31/2008		No	No	8/18/2008	
4	Contractor Issue P.O. to Accumulator Tank Fabricator - Unit 2	7/31/2008		No	No	7/31/2008	
5	Contractor Issue P.O. to Core Makeup Tank Fabricator - Units 2 & 3	9/30/2008		No	No	9/30/2008	
6	Contractor Issue P.O. to Squib Valve Fabricator-Units 2 & 3	3/31/2009		No	No	3/31/2009	
7	Contractor Issue P.O. to Steam Generator Fabricator - Units 2 & 3	6/30/2008		No	No	5/29/2008	1 Month Early
8	Contractor Issue Long Lead Material P.O. to Reactor Coolant Pump Fabricator - Units 2 & 3	6/30/2008		No	No	6/30/2008	
9	Contractor Issue P.O. to Pressurizer Fabricator - Units 2 & 3	8/31/2008		No	No	8/18/2008	
10	Contractor Issue P.O. to Reactor Coolant Loop Pipe Fabricator - First Payment - Units 2 & 3	6/30/2008		No	No	6/20/2008	

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
11	Reactor Vessel Internals – Issue Long Lead Material P.O. to Fabricator - Units 2 & 3	11/21/2008		No	No	11/21/2008	
12	Contractor Issue Long Lead Material - P.O. to Reactor Vessel Fabricator - Units 2 & 3	6/30/2008		No	No	5/29/2008	1 Month Early
13	Contractor Issue P.O. to Integrated Head Package Fabricator - Units 2 & 3	7/31/2009		No	No	7/31/2009	
14	Control Rod Drive Mechanism – Issue P.O. for Long Lead Material to Fabricator - Units 2 & 3 - First Payment	6/21/2008		No	No	6/21/2008	
15	Issue P.O.'s to Nuclear Component Fabricators for Nuclear Island Structural CA20 Modules	7/31/2009		No	No	8/28/2009	
16	Start Site Specific and Balance of Plant Detailed Design	9/11/2007		No	No	9/11/2007	
17	Instrumentation & Control Simulator - Contractor Place Notice to Proceed - Units 2 & 3	10/31/2008		No	No	10/31/2008	
18	Steam Generator - Issue Final P.O. to Fabricator for Units 2 & 3	6/30/2008		No	No	6/30/2008	
19	Reactor Vessel Internals - Contractor Issue P.O. for Long Lead Material (Heavy Plate and Heavy Forgings) to Fabricator - Units 2 & 3	1/31/2010		No	No	1/29/2010	
20	Contractor Issue Final P.O. to Reactor Vessel Fabricator - Units 2 & 3	9/30/2008		No	No	9/30/2008	

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
21	Variable Frequency Drive Fabricator Issue Transformer P.O. - Units 2 & 3	4/30/2009		No	No	4/30/2009	
22	Start Clearing, Grubbing and Grading	1/26/2009		No	No	1/26/2009	
23	Core Makeup Tank Fabricator Issue Long Lead Material P.O. - Units 2 & 3	10/31/2008		No	No	10/31/2008	
24	Accumulator Tank Fabricator Issue Long Lead Material P.O. - Units 2 & 3	10/31/2008		No	No	10/31/2008	
25	Pressurizer Fabricator Issue Long Lead Material P.O. - Units 2 & 3	10/31/2008		No	No	10/31/2008	
26	Reactor Coolant Loop Pipe - Contractor Issue P.O. to Fabricator - Second Payment - Units 2 & 3	4/30/2009		No	No	4/30/2009	
27	Integrated Head Package - Issue P.O. to Fabricator - Units 2 & 3 - Second Payment	7/31/2009		No	No	7/31/2009	
28	Control Rod Drive Mechanism - Contractor Issue P.O. for Long Lead Material to Fabricator - Units 2 & 3	6/30/2008		No	No	6/30/2008	
29	Contractor Issue P.O. to Passive Residual Heat Removal Heat Exchanger Fabricator - Second Payment - Units 2 & 3	10/31/2008		No	No	10/31/2008	
30	Start Parr Road Intersection Work	2/13/2009		No	No	2/13/2009	

Key:	Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
------	--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
31	Reactor Coolant Pump - Issue Final P.O. to Fabricator - Units 2 & 3	6/30/2008		No	No	6/30/2008	
32	Integrated Heat Packages Fabricator Issue Long Lead Material P.O. - Units 2 & 3	10/31/2009		No	No	10/1/2009	1 Month Early
33	Design Finalization Payment 3	1/31/2009		No	No	1/30/2009	
34	Start Site Development	6/23/2008		No	No	6/23/2008	
35	Contractor Issue P.O. to Turbine Generator Fabricator - Units 2 & 3	2/28/2009		No	No	2/19/2009	
36	Contractor Issue P.O. to Main Transformers Fabricator - Units 2 & 3	9/30/2009		No	No	9/25/2009	
37	Core Makeup Tank Fabricator Notice to Contractor Receipt of Long Lead Material - Units 2 & 3	11/30/2010		No	No	12/30/2010	Delayed 1 Month
38	Design Finalization Payment 4	4/30/2009		No	No	4/30/2009	
39	Turbine Generator Fabricator Issue P.O. for Condenser Material - Unit 2	8/31/2009		No	No	8/28/2009	
40	Reactor Coolant Pump Fabricator Issue Long Lead Material Lot 2 - Units 2 & 3	4/30/2009		No	No	4/30/2009	

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
41	Passive Residual Heat Removal Heat Exchanger Fabricator Receipt of Long Lead Material - Units 2 & 3	5/31/2010		No	No	5/27/2010	
42	Design Finalization Payment 5	7/31/2009		No	No	7/31/2009	
43	Start Erection of Construction Buildings to include Craft Facilities for Personnel, Tools, Equipment; First Aid Facilities; Field Offices for Site Management and Support Personnel; Temporary Warehouses; and Construction Hiring Office	10/9/2009		No	No	12/18/2009	Delayed 2 Months
44	Reactor Vessel Fabricator Notice to Contractor of Receipt of Flange Nozzle Shell Forging - Unit 2	7/31/2009		No	No	8/28/2009	
45	Design Finalization Payment 6	10/31/2009		No	No	10/7/2009	
46	Instrumentation and Control Simulator - Contractor Issue P.O. to Subcontractor for Radiation Monitor System - Units 2 & 3	12/31/2009		No	No	12/17/2009	
47	Reactor Vessel Internals - Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	6/30/2011		No	No	7/29/2011	
48	Turbine Generator Fabricator Issue P.O. for Moisture Separator Reheater/Feedwater Heater Material - Unit 2	4/30/2010		No	No	4/30/2010	
49	Reactor Coolant Loop Pipe Fabricator Acceptance of Raw Material - Unit 2	4/30/2010		No	No	2/18/2010	2 Months Early

Key:	Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
------	--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
50	Reactor Vessel Internals - Fabricator Start Weld Neutron Shield Spacer Pads to Assembly - Unit 2	7/31/2012		No	No	8/28/2012	
51	Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 2	6/30/2009		No	No	6/30/2009	
52	Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 2	11/30/2010		No	No	12/23/2010	
53	Start Excavation and Foundation Work for the Standard Plant for Unit 2	3/15/2010		No	No	3/15/2010	
54	Steam Generator Fabricator Notice to Contractor of Receipt of 2nd Steam Generator Tubesheet Forging - Unit 2	2/28/2010		No	No	4/30/2010	Delayed 2 Months
55	Reactor Vessel Fabricator Notice to Contractor of Outlet Nozzle Welding to Flange Nozzle Shell Completion - Unit 2	2/28/2010		No	No	12/30/2010	Delayed 10 Months
56	Turbine Generator Fabricator Notice to Contractor Condenser Fabrication Started - Unit 2	5/31/2010		No	No	5/17/2010	
57	Complete Preparations for Receiving the First Module On Site for Unit 2	8/18/2010		No	No	1/22/2010	6 Months Early
58	Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Transition Cone Forging - Unit 2	4/30/2010		No	No	4/21/2010	
59	Reactor Coolant Pump Fabricator Notice to Contractor of Manufacturing of Casing Completion - Unit 2	11/30/2010		No	No	11/16/2010	

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
---------------------------------	---------------------------------	------------------------	--	------------------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
60	Reactor Coolant Loop Pipe Fabricator Notice to Contractor of Machining, Heat Treating & Non-Destructive Testing Completion - Unit 2	12/31/2010		No	No	3/20/2012	Delayed 14 Months
61	Core Makeup Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 2	9/30/2012		No	No	11/26/2012	Delayed 1 Month
62	Polar Crane Fabricator Issue P.O. for Main Hoist Drum and Wire Rope - Units 2 & 3	2/28/2011		No	No	2/1/2011	
63	Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 3	6/30/2011		No	No	6/14/2011	
64	Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 2	10/31/2011		No	No	3/26/2012	Delayed 4 Months
65	Start Placement of Mud Mat for Unit 2	6/29/2012		No	No	7/20/2012	
66	Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Tubing - Unit 2	1/31/2011		No	No	9/28/2010	4 Months Early
67	Pressurizer Fabricator Notice to Contractor of Welding of Upper and Intermediate Shells Completion - Unit 2	10/31/2010		No	No	10/28/2011	Delayed 12 Months
68	Reactor Vessel Fabricator Notice to Contractor of Closure Head Cladding Completion - Unit 3	6/30/2012		No	No	6/28/2012	

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
69	Begin Unit 2 First Nuclear Concrete Placement	8/24/2012	2/28/2013	No	No		Delayed 6 Months
70	Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 2	9/30/2011		No	No	12/1/2011	Delayed 2 Months
71	Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	6/30/2011		No	No	7/29/2011	
72	Steam Generator Fabricator Notice to Contractor of Completion of 1st Steam Generator Tubing Installation - Unit 2	5/31/2011		No	No	1/27/2012	Delayed 8 Months
73	Reactor Coolant Loop Pipe - Shipment of Equipment to Site - Unit 2	12/31/2012	6/30/2013	No	No		Delayed 6 Months
74	Control Rod Drive Mechanism - Ship Remainder of Equipment (Latch Assembly & Rod Travel Housing) to Head Supplier - Unit 2	6/30/2012		No	No	7/16/2012	
75	Pressurizer Fabricator Notice to Contractor of Welding of Lower Shell to Bottom Head Completion - Unit 2	10/31/2010		No	No	12/22/2011	Delayed 13 Months
76	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 2	5/31/2012		No	No	5/4/2012	
77	Design Finalization Payment 14	10/31/2011		No	No	10/31/2011	

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
78	Set Module CA04 For Unit 2	11/6/2012	6/24/2013	No	No		Delayed 7 Months
79	Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Final Post Weld Heat Treatment - Unit 2	6/30/2010		No	No	5/24/2011	Delayed 10 Months
80	Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Completion of Tubing - Unit 2	5/31/2012		No	No	5/29/2012	
81	Polar Crane Fabricator Notice to Contractor of Girder Fabrication Completion - Unit 2	10/31/2012		No	No	10/23/2012	
82	Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 3	8/31/2013	8/31/2013	No	No		
83	Set Containment Vessel Ring #1 for Unit 2	1/7/2013	7/5/2013	No	No		Delayed 5 Months
84	Reactor Coolant Pump Fabricator Delivery of Casings to Port of Export - Unit 2	7/31/2012	3/31/2013	No	No		Delayed 8 Months
85	Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 3	8/31/2013	8/31/2013	No	No		
86	Reactor Vessel Fabricator Notice to Contractor of Receipt of Core Shell Forging - Unit 3	9/30/2012		No	No	3/29/2012	6 Months Early

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
---------------------------------	---------------------------------	------------------------	--	------------------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
87	Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 3	1/31/2013		No	No	11/9/2011	14 Months Early
88	Set Nuclear Island Structural Module CA03 for Unit 2	6/26/2013	12/17/2013	No	No		Delayed 5 Months
89	Squib Valve Fabricator Notice to Contractor of Completion of Assembly and Test for Squib Valve Hardware - Unit 2	5/31/2012		No	No	5/10/2012	
90	Accumulator Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	3/31/2013	7/31/2013	No	No		Delayed 4 Months
91	Polar Crane Fabricator Notice to Contractor of Electric Panel Assembly Completion - Unit 2	3/31/2013	4/30/2013	No	No		Delayed 1 Month
92	Start Containment Large Bore Pipe Supports for Unit 2	6/28/2013	11/13/2013	No	No		Delayed 4 Months
93	Integrated Head Package - Shipment of Equipment to Site - Unit 2	3/31/2013	1/31/2014	No	No		Delayed 10 Months
94	Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 2	5/31/2013	10/31/2013	No	No		Delayed 5 Months
95	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 3	6/30/2013	7/31/2013	No	No		Delayed 1 Month

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
96	Steam Generator Fabricator Notice to Contractor of Satisfactory Completion of 1st Steam Generator Hydrotest - Unit 2	1/31/2013	1/31/2013	No	No		
97	Start Concrete Fill of Nuclear Island Structural Modules CA01 and CA02 for Unit 2	4/3/2014	6/30/2014	No	No		Delayed 2 Months
98	Passive Residual Heat Removal Heat Exchanger - Delivery of Equipment to Port of Entry - Unit 2	12/31/2012	5/31/2013	No	No		Delayed 5 Months
99	Refueling Machine Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 2	11/30/2013	10/31/2013	No	No		1 Month Early
100	Deliver Reactor Vessel Internals to Port of Export - Unit 2	1/31/2014	4/30/2014	No	No		Delayed 2 Months
101	Set Unit 2 Containment Vessel #3	4/24/2014	8/12/2014	No	No		Delayed 3 Months
102	Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 2	7/31/2013	8/31/2013	No	No		Delayed 1 Month
103	Turbine Generator Fabricator Notice to Contractor Turbine Generator Ready to Ship - Unit 2	4/30/2013	4/30/2013	No	No		
104	Pressurizer Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	3/31/2014	12/31/2013	No	No		3 Months Early

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
105	Polar Crane - Shipment of Equipment to Site - Unit 2	1/31/2014	12/31/2013	No	No		1 Month Early
106	Receive Unit 2 Reactor Vessel On Site From Fabricator	5/13/2014	6/30/2013	No	No		10 Months Early
107	Set Unit 2 Reactor Vessel	6/23/2014	7/18/2014	No	No		
108	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Channel Head to Tubesheet Assembly Welding - Unit 3	12/31/2013	12/31/2013	No	No		
109	Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 3	8/31/2014	12/31/2014	No	No		Delayed 4 Months
110	Reactor Coolant Pump - Shipment of Equipment to Site (2 Reactor Coolant Pumps) - Unit 2	10/31/2013	3/31/2014	No	No		Delayed 5 Months
111	Place First Nuclear Concrete for Unit 3	10/9/2013	10/1/2013	No	No		
112	Set Unit 2 Steam Generator	10/23/2014	11/8/2014	No	No		
113	Main Transformers Ready to Ship - Unit 2	9/30/2013	9/30/2013	No	No		

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
114	Complete Unit 3 Steam Generator Hydrotest at Fabricator	2/28/2014	7/31/2014	No	No		Delayed 5 Months
115	Set Unit 2 Containment Vessel Bottom Head on Basemat Legs	10/11/2012	5/8/2013	No	No		Delayed 6 Months
116	Set Unit 2 Pressurizer Vessel	5/16/2014	8/8/2014	No	No		Delayed 2 Months
117	Reactor Coolant Pump Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 3	2/28/2015	1/31/2015	No	No		
118	Deliver Reactor Vessel Internals to Port of Export - Unit 3	6/30/2015	3/31/2015	No	No		3 Months Early
119	Main Transformers Fabricator Issue P.O. for Material - Unit 3	2/28/2015	2/28/2015	No	No		
120	Complete Welding of Unit 2 Passive Residual Heat Removal System Piping	2/5/2015	1/26/2015	No	No		
121	Steam Generator - Contractor Acceptance of Equipment At Port of Entry - Unit 3	4/30/2015	1/31/2015	No	No		2 Months Early
122	Refueling Machine - Shipment of Equipment to Site - Unit 3	2/28/2015	10/31/2014	No	No		4 Months Early
123	Set Unit 2 Polar Crane	1/9/2015	3/30/2015	No	No		Delayed 2 Months

Key:	Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
------	--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
124	Reactor Coolant Pumps - Shipment of Equipment to Site - Unit 3	6/30/2015	8/31/2015	No	No		Delayed 2 Months
125	Main Transformers Ready to Ship - Unit 3	7/31/2015	6/30/2015	No	No		1 Month Early
126	Spent Fuel Storage Rack - Shipment of Last Rack Module - Unit 3	7/31/2014	7/31/2014	No	No		
127	Start Electrical Cable Pulling in Unit 2 Auxiliary Building ²	8/14/2013	3/21/2014	No	No		Delayed 7 Months
128	Complete Unit 2 Reactor Coolant System Cold Hydro	1/22/2016	1/28/2016	No	No		
129	Activate Class 1E DC Power in Unit 2 Auxiliary Building	3/15/2015	4/28/2015	No	No		Delayed 1 Month
130	Complete Unit 2 Hot Functional Test	5/3/2016	4/13/2016	No	No		
131	Install Unit 3 Ring 3 for Containment Vessel	8/25/2015	7/22/2015	No	No		1 Month Early
132	Load Unit 2 Nuclear Fuel	9/15/2016	11/5/2016	No	No		Delayed 1 Month
133	Unit 2 Substantial Completion	3/15/2017	3/15/2017	No	No		

Key:	Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
------	--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
134	Set Unit 3 Reactor Vessel	10/22/2015	4/29/2015	No	No		5 Months Early
135	Set Unit 3 Steam Generator #2	2/25/2016	9/16/2015	No	No		5 Months Early
136	Set Unit 3 Pressurizer Vessel	7/16/2015	5/6/2015	No	No		2 Months Early
137	Complete Welding of Unit 3 Passive Residual Heat Removal System Piping	6/16/2016	12/14/2015	No	No		6 Months Early
138	Set Unit 3 Polar Crane	5/9/2016	6/9/2016	No	No		Delayed 1 Month
139	Start Unit 3 Shield Building Roof Slab Rebar Placement	5/26/2016	2/11/2016	No	No		3 Months Early
140	Start Unit 3 Auxiliary Building Electrical Cable Pulling ²	11/7/2014	9/29/2014	No	No		1 Month Early
141	Activate Unit 3 Auxiliary Building Class 1E DC Power	5/15/2016	5/17/2016	No	No		
142	Complete Unit 3 Reactor Coolant System Cold Hydro	3/22/2017	3/6/2017	No	No		
143	Complete Unit 3 Hot Functional Test	7/3/2017	5/22/2017	No	No		1 Month Early

Key:

Milestones Not Completed	Completed Prior to Q4-12	Current Quarter	Scheduled to Be Completed Q1-13	ORS Caution Milestone
--------------------------	--------------------------	-----------------	---------------------------------	-----------------------

Activity No.	Milestone	Completion Date Approved in Order No. 2012-884	Scheduled Completion Date as of Q4-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date? ¹	Actual Completion Date	Deviation from Order No. 2012-884
144	Complete Unit 3 Nuclear Fuel Load	11/15/2017	12/29/2017	No	No		Delayed 1 Month
145	Begin Unit 3 Full Power Operation	4/8/2018	4/26/2018	No	No		
146	Unit 3 Substantial Completion	5/15/2018	5/15/2018	No	No		

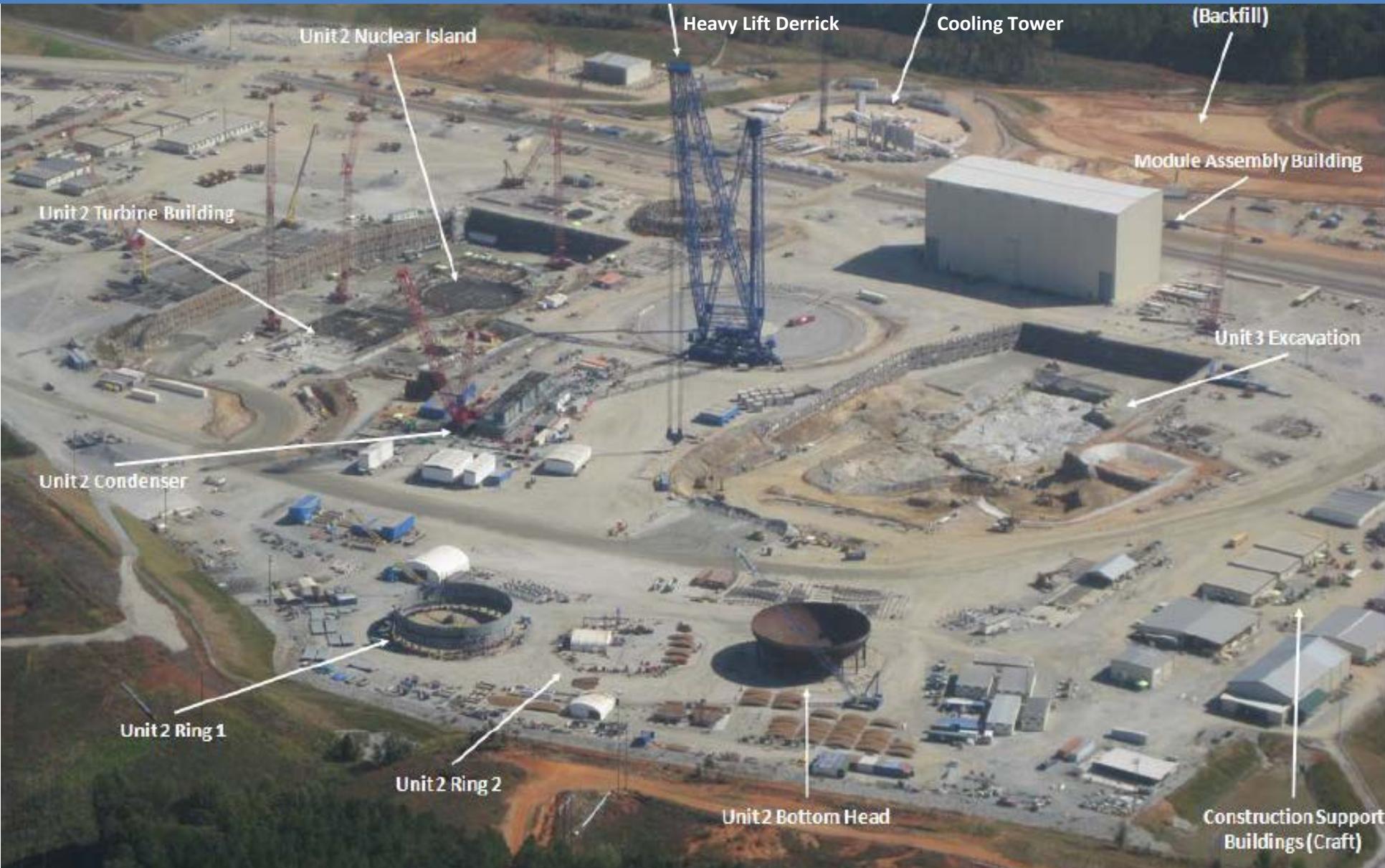
Notes:

White highlighting represents Future or Historical Milestones that have not been completed.
Grey highlighting represents Future or Historical Milestones that were completed prior to the 4th Quarter 2012.
Yellow highlighting represents those Milestones that are scheduled to be or have been completed during the 4th Quarter 2012. This is based on the schedule approved by the Commission in Order No. 2012-884.
Green highlighting represents Future Milestones that are scheduled to be completed in the 1st Quarter of 2013. This is based on the schedule approved by the Commission in Order No. 2012-884.
Red highlighting represents "Caution Milestones." Caution Milestones are those that are delayed by 10 months or greater.

Appendix B

Construction Site Photographs

Site Overview



Unit 2 Nuclear Island



Containment Vessel Lower Bowl



Containment Vessel Rings



Switchyard



Appendix C

License Amendment Requests

NRC LAR No.	Summary	LAR Submittal Date	LAR Status	LAR Approval Date	PAR Status	PAR No Objection Letter Date
12-01	Stud Spacing around Electrical Penetrations	8/29/2012	Pending		Not Requested	
12-02	Definition of Wall Thickness in Table 3.3.1	9/26/2012	Pending		Approved	1/16/2013
13-01	Basemat Shear Reinforcement Design Spacing	1/15/2013	Approved	2/26/2013	Approved	1/29/2013
13-02	Basemat Shear Reinforcement Design Details	1/18/2013	Approved	3/1/2013	Approved	1/29/2013
13-03	Turbine Building Eccentric and Concentric Bracing	2/7/2013	Pending			
13-04	Reconciliation of Tier 1 Value Differences	2/7/2013	Pending			
13-05	Structural Module Shear Stud Size and Spacing	2/14/2013	Pending			
13-06	Primary Sampling System Changes	2/7/2013	Pending			
13-07	Changes to Chemical and Volume Control System	3/13/2013	Pending			
13-08	Module Obstructions and Details	2/28/2013	Withdrawn			
13-09	<i>Reserved</i>					
13-10	Human Factors Engineering Integrated Plan	3/13/2013	Pending			
13-11	Nuclear Island Walls Reinforcement Criteria	3/26/2013	Pending		Approved	4/10/2013

Appendix D

NRC License Amendment Approvals

SOUTH CAROLINA ELECTRIC AND GAS COMPANY

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

DOCKET NO. 52-027

VIRGIL C. SUMMER NUCLEAR STATION UNIT 2

AMENDMENT TO FACILITY COMBINED LICENSE

Amendment No. 001
License No. NPF-93

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by South Carolina Electric & Gas Company (licensee), dated January 15, 2013, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. The facility will be constructed and will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended to authorize changes to the Updated Final Safety Analysis Report (UFSAR) to revise the structural criteria details for shear reinforcement bar spacing within the nuclear island basemat concrete as described in the licensee's application dated January 15, 2013.
3. This license amendment is effective as of the date of its issuance and shall be implemented within 30 days of the date of issuance. The licensee shall submit the changes authorized by this amendment with the next update of the UFSAR in accordance with 10 CFR 50.71(e).

FOR THE NUCLEAR REGULATORY COMMISSION:

/RA/

Lawrence Burkhart, Acting Chief
Licensing Branch 4
Division of New Reactor Licensing
Office of Nuclear Reactors

Date of Issuance: February 26, 2013

Attachment: Page 7 of the Facility Combined License

SOUTH CAROLINA ELECTRIC AND GAS COMPANY

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

DOCKET NO. 52-027

VIRGIL C. SUMMER NUCLEAR STATION UNIT 2

AMENDMENT TO FACILITY COMBINED LICENSE

Amendment No. 002

License No. NPF-93

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by South Carolina Electric & Gas Company (licensee), dated January 18, 2013, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. The facility will be constructed and will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended to authorize changes to the Updated Final Safety Analysis Report (UFSAR) to revise the structural code for development of headed shear reinforcement within the nuclear island basemat concrete as described in the licensee's application dated January 18, 2013.
3. This license amendment is effective as of the date of its issuance and shall be implemented within 30 days of the date of issuance. The licensee shall submit the changes authorized by this amendment with the next update of the UFSAR in accordance with 10 CFR 50.71(e).

FOR THE NUCLEAR REGULATORY COMMISSION:

/RA/

Lawrence Burkhart, Acting Chief
Licensing Branch 4
Division of New Reactor Licensing
Office of Nuclear Reactors

Date of Issuance: March 1, 2013

Attachment: Page 7 of the Facility Combined License

Appendix E

SCE&G Basemat Concrete Press Release



SCANA Media Contact:

Rhonda O'Banion

800-562-9308

rhonda.obanion@scana.com

SCANA Investor Contact:

Iris Griffin

803-217-6642

igriffin@scana.com

SCE&G Completes First Nuclear Concrete Placement

Cayce, S.C., March 11, 2013...South Carolina Electric & Gas Company (SCE&G), principal subsidiary of SCANA Corporation (NYSE:SCG), completed on March 11, 2013, placement of the nuclear island basemat for V.C. Summer Unit 2 in Fairfield County, S.C. This major milestone is the first new construction nuclear concrete to be poured in the U.S. in three decades.

"This is an exciting achievement for SCE&G, Santee Cooper, CB&I, Westinghouse Electric Company, and others who support our new nuclear project," said Kevin Marsh, chairman and CEO of SCANA. "We recognize the significance of this event and appreciate the strong commitment to safety and collaboration demonstrated by all involved in reaching this milestone."

Lonnie Carter, president and CEO of Santee Cooper, which co-owns V.C. Summer, said, "This is a tremendous day for South Carolina as we work with SCANA to deliver new nuclear generation that will help ensure reliable, affordable electricity for decades to come. We've come to this point through the diligent and conscientious attention to task by everyone involved, from our crews to the Nuclear Regulatory Commission."

The basemat provides a foundation for the containment and auxiliary buildings that are within the nuclear island. Measuring 6 feet in thickness, the basemat required approximately 7,000 cubic yards of concrete to cover an area about 250 feet long and 160 feet at its widest section. Completed about 10 a.m. today, this 51.5-hour continuous pour of concrete covered a surface totaling 32,000 square feet.

About 1,550 workers are currently involved in constructing two new reactors at V.C. Summer, where Unit 1 has operated safely and reliably for 30 years. The new nuclear project will peak at about 3,000 workers over the course of three to four years. The two 1,117-megawatt units will add 600 to 800 permanent jobs and bring SCE&G's portfolio to 60 percent non-emitting sources when they start generating electricity in 2017 and 2018, respectively.

PROFILE

SCE&G is a regulated utility engaged in the generation, transmission, distribution and sale of electricity to approximately 670,000 customers in South Carolina. The company also provides natural gas service to approximately 323,000 customers throughout the state. More information about SCE&G is available at www.sceg.com.

SCANA Corporation, headquartered in Cayce, S.C., is an energy-based holding company principally engaged, through subsidiaries, in electric and natural gas utility operations and other energy-related businesses. In addition to its approximately 670,000 electric customers in South Carolina, the company serves more than 1.2 million natural gas customers in South Carolina, North Carolina and Georgia. More information about SCANA is available at www.scana.com.

Appendix F

NRC Annual Assessment Letter VCS Units 2 & 3



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

March 4, 2013

Mr. Ronald A. Jones
Vice President, New Nuclear Operations
South Carolina Electric and Gas
P.O. Box 88 (Mail Code P40)
Jenkinsville, SC 29065-0088

**SUBJECT: ANNUAL ASSESSMENT LETTER FOR VIRGIL C. SUMMER NUCLEAR
STATION UNITS 2 & 3 (REPORT 05200027/2012001 AND 05200028/2012001)**

Dear Mr. Jones:

On February 11, 2013, the NRC completed its end-of-cycle performance review of Virgil C. Summer Nuclear Station Units 2 & 3 (V. C. Summer 2 & 3). The NRC reviewed inspection results and enforcement actions from January 1, 2012, through December 31, 2012. This letter informs you of the NRC's assessment of your facility during this period and the NRC's plans for future inspections at your facility.

The NRC determined that overall, V. C. Summer 2 & 3 were being constructed in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at V. C. Summer 2 & 3 during the most recent quarter was within the Licensee Response Column of the NRC's Construction Reactor Oversight Process Action Matrix because all inspection findings had very low (i.e., green) safety significance. Therefore, the NRC plans to conduct Construction Reactor Oversight Process baseline inspections at your facility. Based on this assessment, the NRC plans to include design control and receipt inspection as focus areas during upcoming baseline inspections. However, an Unresolved Item involving the anchorage and spacing of the t-headed shear reinforcement in the nuclear island was identified by the NRC in Inspection Report 05200027/2012004 and 05200028/2012004. The determination of the significance of this issue could affect the licensee's position in the construction action matrix. This in turn could impact future inspection activities at the V.C. Summer Units 2 & 3.

This letter also summarizes the NRC's assessment of the corrective action program (CAP) used to identify and correct issues associated with the construction of V. C. Summer 2 & 3. Since the beginning of safety related construction in April 2012, the NRC has inspected multiple aspects of the CAPs in use at V.C. Summer 2 & 3 during various inspections. These inspections include several quality assurance and technical team inspections, a team inspection focused on the CAP, and inspections performed by the resident inspectors including daily CAP reviews and detailed reviews of a sample of issues entered into the CAP.

During these inspections, the NRC evaluated the adequacy of the CAP documents and the effectiveness of their implementation. These inspections included a review and assessment of the South Carolina Electric & Gas CAP and the CAPs established by those contractors, entities, or agents to whom South Carolina Electric & Gas delegated the engineering, procurement, and

construction of V. C. Summer 2 & 3 (Westinghouse Electric Company and CB&I – formerly Shaw).

Based on these inspections, the NRC determined that South Carolina Electric & Gas has developed and implemented an adequate CAP for use during the performance of construction activities authorized by the combined license. This conclusion is based on the criteria established in Section 6.03 of Inspection Manual Chapter 2505P, "Periodic Assessment of Construction Inspection Program Results, Revision 1 – Pilot." Specifically, the inspectors did not identify: any findings related to the adequacy of procedures intended to implement the requirements of 10 CFR Part 50 Appendix B, Criterion XVI; any findings with more than very low safety significance related to the CAP; or a substantive cross-cutting aspect related to the CAP. Therefore, the staff is now authorized to issue non-cited violations in lieu of severity level IV violations in accordance with Section 2.3.2 of the NRC Enforcement Policy.

The enclosed inspection plan lists the inspections scheduled through September 30, 2013. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed are tentative and may be revised based on construction activities at the site. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact me at (404) 997-4540 with any questions you have regarding this letter.

Sincerely,

/RA by George Khouri Acting for/

Michael E. Ernstes, Chief
Construction Project Branch 4
Division of Construction Projects

Docket Nos.: 52-00027, 52-00028
License Nos.: NPF-93, NPF-94

Enclosure:
V.C. Summer Units 2 & 3 Inspection Plan

cc w/encl.: (See next page)

cc:

Mr. Jeffrey B. Archie
Sr. Vice President, Nuclear Operations
South Carolina Electric & Gas Company
MC D304
220 Operation Way
Cayce, SC 29033-3172

Chairman
Fairfield County Council
Drawer 60
Winnsboro, SC 29180

Ms. Shannon Bowyer Hudson
Office of Regulatory Staff
State of South Carolina
1401 Main Street
Suite 900
Columbia, SC 29201

Mr. George McKinney
Director
South Carolina EMD
1100 Fish Hatchery Road
West Columbia, SC 29172

Ms. Gidget Stanley-Banks
Director
Allendale County EPA
426 Mullberry Street
Allendale, SC 29810

Email

abynum@scana.com (Al Bynum)
amonroe@scana.com (Amy Monroe)
APAGLIA@Scana.com (Al Paglia)
APH@NEI.org (Adrian Heymer)
April.Rice@scana.com (April Rice)
arice@scana.com (April R. Rice)
awc@nei.org (Anne W. Cottingham)
bedforbj@westinghouse.com (Brian Bedford)
Bill.Jacobs@gdsassociates.com (Bill Jacobs)
bmccall@santeecooper.com (Bill McCall, Jr.)
charles.baucom@cbi.com (Charles T. Baucom)
christina.barnett@scana.com (Christina Barnett)
CumminWE@Westinghouse.com (Edward W. Cummins)
cwaltman@roe.com (C. Waltman)
david.lewis@pillsburylaw.com (David Lewis)
delongra@westinghouse.com (Rich DeLong)
dgriffin@scana.com (Donna S. Griffin)
ed.burns@earthlink.net (Ed Burns)
ewingja@westinghouse.com (Jerrod Ewing)
fbelser@regstaff.sc.gov
GeerTC@westinghouse.com (Thomas Geer)
gzinke@entergy.com (George Alan Zinke)
hutchiwe@westinghouse.com (william Hutchins)
jarchie@scana.com (Jeffrey B. Archie)
jenkinse@dhec.sc.gov (Susan Jenkins)
jflitter@regstaff.sc.gov
Joseph_Hegner@dom.com (Joseph Hegner)
karlg@att.net (Karl Gross)
kasslc@westinghouse.com (Leslie Kass)
kinneyrw@dhec.sc.gov (Ronald Kinney)
KSutton@morganlewis.com (Kathryn M. Sutton)
kwaugh@impact-net.org (Kenneth O. Waugh)
lchandler@morganlewis.com (Lawrence J. Chandler)
maria.webb@pillsburylaw.com (Maria Webb)
mark.beaumont@wsms.com (Mark Beaumont)
matias.travieso-diaz@pillsburylaw.com (Matias Travieso-Diaz)
mcintyba@westinghouse.com (Brian McIntyre)
media@nei.org (Scott Peterson)
MSF@nei.org (Marvin Fertel)
nirsnet@nirs.org (Michael Mariotte)
Nuclaw@mindspring.com (Robert Temple)
patriciaL.campbell@ge.com (Patricia L. Campbell)
Paul@beyondnuclear.org (Paul Gunter)
pbessette@morganlewis.com (Paul Bessette)
porterhj@dhec.sc.gov (Henry Porter)
randall@nexusamllc.com (Randall Li)
rclary@scana.com (Ronald Clary)
RJB@NEI.org (Russell Bell)
Ronald.Jones@scana.com (Ronald Jones)

russpa@westinghouse.com (Paul Russ)
sabinski@suddenlink.net (Steve A. Bennett)
sburdick@morganlewis.com (Stephen Burdick)
sbyrne@scana.com (Stephen A. Byrne)
sfrantz@morganlewis.com (Stephen P. Frantz)
shudson@regstaff.sc.gov (Shannon Hudson)
stephan.moen@ge.com (Stephan Moen)
TGATLIN@scana.com (Thomas Gatlin)
threatsj@dhec.sc.gov (Sandra Threatt)
tom.miller@hq.doe.gov (Tom Miller)
TomClements329@cs.com (Tom Clements)
Vanessa.quinn@dhs.gov (Vanessa Quinn)
vcsnrc@scana.com (NRC Senior Resident Inspector
Wanda.K.Marshall@dom.com (Wanda K. Marshall)
William.Cherry@scana.com (William Cherry)
wmcherry@santeecooper.com (Marion Cherry)

V.C. Summer Units 2 & 3 Inspection Plan

Programmatic Inspections (IMC 2504)	
Est. Date	Description
2Q 2013	Quality assurance semiannual implementation – construction
2Q 2013	Annual corrective action program inspection
4Q 2013	Reporting of defects and noncompliance - construction

ITAAC Inspections (IMC 2503)	
Est. Date	Description
2013	<p>The majority of ITAAC related inspections, in 2013, are expected to be associated with the following construction and fabrication activities:</p> <ol style="list-style-type: none"> 1. Nuclear island construction 2. Containment vessel fabrication 3. Structural and mechanical module fabrication <p>The NRC staff will also inspect miscellaneous ITAAC and Design Acceptance Criteria activities (e.g. Protection and Safety Monitoring System and Human Factors Engineering development, type tests, and other ITAAC related work on site and at vendor facilities).</p>
1Q-2Q 2013	<p>Rebar Work Associated with:</p> <ul style="list-style-type: none"> • The nuclear island • Unit 2 containment vessel • CR-10
1Q 2013	Nuclear island basemat pour
1Q-2Q 2013	Unit 3 waterproofing membrane installation
1Q-3Q 2013	Submodule fabrication in the Modular Assembly Building
1Q-3Q 2013	Unit 2 & 3 containmnet vessel fabrication
3Q 2013	Reactor pressure vessel on-site inspection

Note: Inspection schedule is subject to change based on licensing and construction activities.