

# South Carolina Office of Regulatory Staff

## Review of South Carolina Electric & Gas Company's **V. C. Summer Units 2 and 3** **Construction Status**

Allyn Powell & Gary Jones

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# ORS Site Visit



June 11, 2013



# Overview of ORS Activities

- Visits to observe construction activities
- On site meetings with SCE&G project leads
- Continuous document review
- Monthly management meetings with ORS and SCE&G staff
- Quarterly meetings with Westinghouse project lead
- Review and assessment of SCE&G quarterly reports
- Review of invoices
- Participate in NRC Public Meetings
- Testimony before the Public Service Commission



# Major Construction Activities



Unit 2 Nuclear Island Basemat Pour



# Major Construction Activities



Unit 2 Turbine Building Progress



# Major Construction Activities



Unit 2 CR10 Module and CVBH



# Major Construction Activities



Cooling Tower Progress



# Major Construction Activities



**Switchyard Substantially Complete**



# BLRA Milestone Schedule

As of the end of Q1 2013, of the Milestone Schedule's 146 activities:

- 84 milestone activities have been completed
- 62 milestone activities are yet to be completed

During Q1 2013:

- 6 milestone activities were scheduled to be completed
  - 3 of these milestones have been completed
  - 3 of these milestones have not been completed
- 2 milestone activities were delayed 10 months or more



# Budget

- Current approved base project cost (2007 \$): \$4.548 B per Order No. 2012-884.
- No additional change orders have been approved since Order No. 2012-884.
- Amount spent on the project as of December 31, 2012 was \$1.773 billion.
- Gross construction cost estimate is \$11 million above estimates from Order No. 2012-884. This includes escalation and AFUDC.



# Construction Challenges

- Structural Modules
- Shield Building Modules
- Structural Design Compliance
- Instrumentation and Control Design
- Overlapping Unit 2 & Unit 3 Construction
- Manufacturing of Major Equipment
- License Amendment Reviews



# Emerging Issues

## Construction Schedule

- Unit 2 schedule currently shows a delay from March 2017 to December 2017.
- Unit 3 is likely delayed a similar amount.
- SCE&G estimates the potential budget impact from delays to be approximately \$200 million.
- ORS expects SCE&G to contest its responsibility for the cost of these delays.



# Emerging Issues

## BLRA Milestone Schedule

- Official Q2 2013 data is not available.
- At the end of Q1 2013, 2 milestones were tracking delays of 10 months or more.
- Preliminary data shows 15 milestones tracking delays of 10 months or more.
- Preliminary data shows one milestone is now tracking a 17 month delay.



# Emerging Issues

## Outstanding Change Orders

- Change Order 16 has not yet been executed.
  - Change Order 16 incorporates many of the changes approved in Order No. 2012-884.
- Review time for change orders is increasing.
  - 3 change orders have been under discussion for over a year with no resolution.
- The number of issues that may lead to change orders is also increasing.



# Conclusions

- Major progress has been demonstrated in the first half of 2013.
- Significant challenges remain, but actions to address these challenges have been identified and implemented.
- Sustained progress in these areas must be demonstrated over the next few months.
- Currently, it appears the project can be completed within the criteria established by the Base Load Review Order as amended.



Questions?

