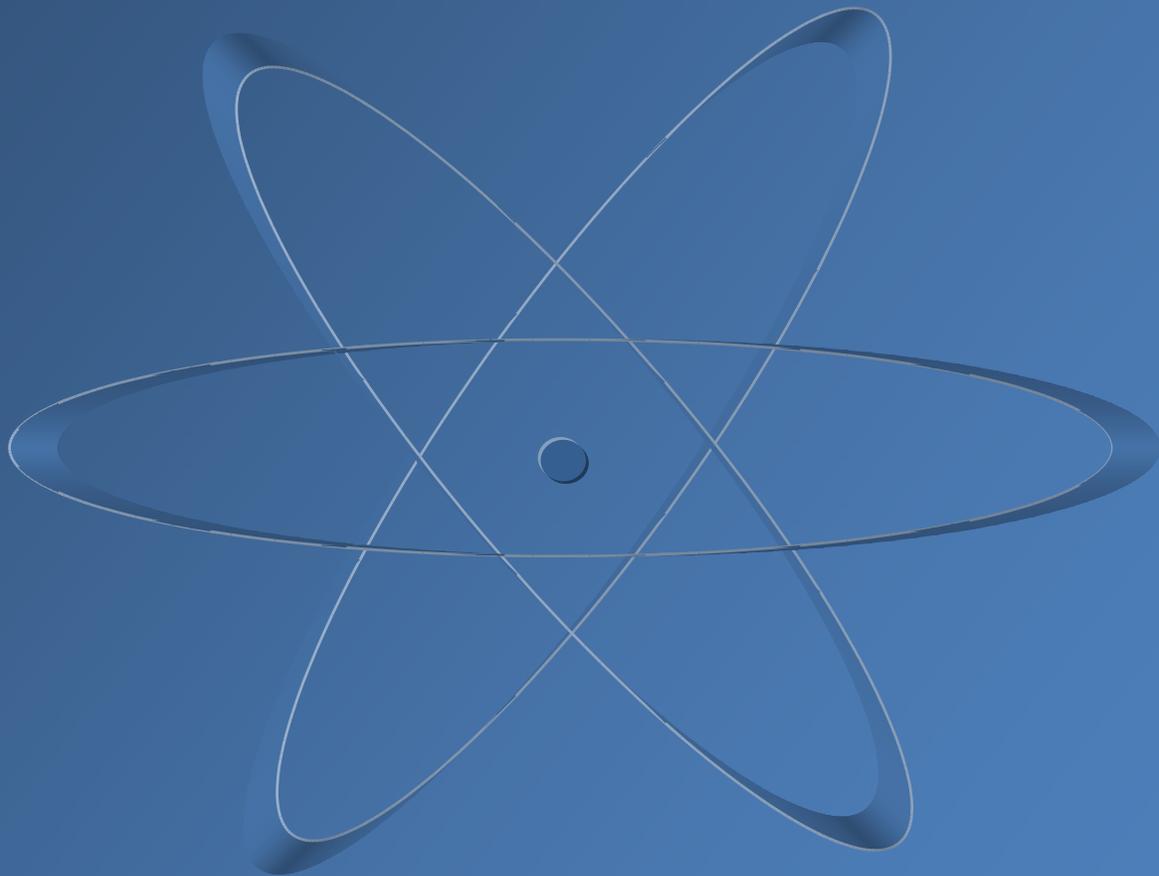


South Carolina Office of Regulatory Staff
Review of South Carolina Electric & Gas Company's
2012 1st Quarter Report on
V. C. Summer Units 2 and 3
Status of Construction



July 2, 2012



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Introduction

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. These agreements replace the Bridge Agreement that the companies had been operating under since 2008.

On February 9, 2012 the NRC voted to issue Southern Company a Combined Construction and Operating License (“COL”) for the AP1000 units being constructed at the Vogtle plant. This was an important federal licensing milestone as the Vogtle COL is the reference COL being used for future AP1000 reactors, with the analysis of subsequent AP1000 COL’s focusing on site specific issues. The affirmation session for SCE&G’s COL was held by the NRC on March 30, 2012. The Commission voted 4-1 to issue SCE&G a COL for the construction of the Units. SCE&G received the final COL from the NRC the same day.

Following the issuance of the 401 Water Quality Certification by the South Carolina Department of Health and Environmental Control (“DHEC”) in 4th quarter 2011, the final review for the 404 Clean Water Act Permit for construction on site, as well as along transmission rights-of-way, was issued by the Army Corps of Engineers. The permit was issued on March 30, 2012.

SCE&G submitted a National Pollutant Discharge Elimination System (“NPDES”) permit application to the DHEC in February 2012. The permit was publicly noticed on March 30, 2012 for a thirty (30) day public comment period. 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. The Company’s NPDES permit application is further discussed in the Section “Notable Activities Occurring After March 31, 2012.”

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. Letters of Intent were signed with the Orlando Utilities Commission (“OUC”), Florida Municipal Power Agency (“FMPA”) and Duke Energy Carolinas, LLC in 2011. On January 10, 2012 Fitch Ratings downgraded Santee Cooper’s \$5.02 billion of outstanding revenue obligation bonds from AA to AA-. In its press release, Fitch cited decisions by OUC and FMPA not to pursue the purchase of a portion of Santee Cooper’s ownership share in the Units as a contributing factor to the rating downgrade. This press release can be found as Appendix D in ORS’s 2011 3rd Quarterly Report. Subsequent to the end of 1st quarter 2012, Santee Cooper announced it had signed Letters of Intent with two (2) additional partners for a portion of its interest in the Units. Developments regarding Santee Cooper are discussed in more detail in the Section “Notable Activities Occurring After March 31, 2012.”

On February 29, 2012, SCE&G filed an application with the Commission in Docket No. 2012-90-E for updates and revisions to schedules related to the construction of the Units. On March 29, 2012, SCE&G issued a press release stating that a preliminary agreement had been reached with Westinghouse Electric Company (“WEC”) and The Shaw Group, Incorporated (“Shaw”) regarding both the cost and construction schedules for the Units. Due to changes in these schedules, SCE&G withdrew the February 29 filing on May 8, 2012. The Company filed an updated application with the Commission in Docket No. 2012-203-E for updates and revisions to the capital cost schedule and the construction schedule of the Units (“Update Filing”) on May 15, 2012. This filing is discussed in more detail in the Section “Notable Activities Occurring After March 31, 2012.”

On May 15, 2012, SCE&G submitted its 2012 1st 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 March 31, 2012. The Company’s Report is submitted pursuant to S.C. Code Ann. § 58-33-277 (Supp. 2011) 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.

Approved Schedule Review

Milestone Schedule

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

- 72 milestone activities have been completed (includes 70 historical milestones and 2 future milestones)
- 74 milestone activities are yet to be completed (includes 12 delayed historical and 62 future milestones)

ORS also verified that during the 1st Quarter of 2012:

- Four (4) milestone activities were scheduled to be completed
 - Zero (0) of these milestones have 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 24 months or delayed more than 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 1st Quarter of 2012, ORS identified nineteen (19) Caution Milestones. Below is a status of these milestones:

- **Milestone Activity No. 61** – *Core Makeup Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest – Unit 2.*
Status: Delayed 14 months.

This activity was scheduled to be completed by May 31, 2011. Its revised target completion date is July 31, 2012. Mangiarotti, located in Italy, is the manufacturer for several major components of the AP1000 reactor, including the core makeup tank. It was previously reported that WEC had identified quality assurance deficiencies during an audit of Mangiarotti related to its sub-suppliers. As previously reported, SCE&G continues to monitor the fabrication status of multiple major components at Mangiarotti to ensure related milestones remain within the time frame allowed by the Base Load Review Order.

- **Milestone Activity No. 65** – *Start Placement of Mud Mat for Unit 2.*

Status: Delayed 10 months.

This activity was scheduled to be completed by July 14, 2011. Its revised target completion date is May 11, 2012. This milestone is a construction activity that is a prerequisite to placing the basemat concrete for the Auxiliary Building, Shield Building, and Containment Vessel (“Nuclear Island”) for Unit 2. This activity is impacted by the delay in issuance of the COL by the NRC and the need for additional fill concrete in the Nuclear Island for Unit 2.

- **Milestone Activity No. 69** – *Begin Unit 2 First Nuclear Concrete Placement.*

Status: Delayed 10 months.

This activity was scheduled to be completed by October 3, 2011. Its revised target completion date is July 31, 2012. This milestone is a construction activity initiating the placement of the first safety related concrete in the Nuclear Island for Unit 2. This activity is impacted by the delay in issuance of the COL by the NRC and additional fill concrete in the Nuclear Island for Unit 2.

- **Milestone Activity No. 76** – *Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation – Unit 2.*

Status: Delayed 10 months.

This activity was scheduled to be completed by June 30, 2011. Its revised target completion date is April 30, 2012. This milestone is a fabrication activity designating the Steam Generator Tubes to be placed into the second Unit 2 Steam Generator and for the tube ends to be inserted into the tube sheet.

- **Milestone Activity No. 80** – *Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Completion of Tubing – Unit 2.*

Status: Delayed 15 months.

This activity was scheduled to be completed by January 31, 2011. The revised target completion date is April 30, 2012. The delay in this milestone is also associated with Mangiarotti. See the above discussion related to Milestone Activity No. 61.

- **Milestone Activity No. 83** – *Set Containment Vessel Ring #1 for Unit 2.*

Status: Delayed 15 months.

This activity was scheduled to be completed by April 3, 2012. The revised target completion date is July 5, 2013. The Containment Vessel Ring is being constructed on site by Chicago Bridge and Iron (“CB&I”). This is a construction milestone for

placement of the Containment Vessel Ring in the Unit 2 Nuclear Island. This activity is impacted by the delay in the pouring of safety related nuclear concrete resulting from the delay in the issuance of the COL by the NRC, as well as the sequence of other construction activities.

- **Milestone Activity No. 88** – *Set Nuclear Island Structural Module CA03 for Unit 2.*
Status: Delayed 10 months.

This activity was scheduled to be completed by August 30, 2012. The revised target completion date is June 26, 2013. This milestone is a construction activity associated with the placement of the CA03 module in the Unit 2 Nuclear Island. This activity is impacted by the delay in the pouring of safety related nuclear concrete resulting from the delay in the issuance of the COL by the NRC, as well as the sequence of other construction activities.

- **Milestone Activity No. 92** – *Start Containment Large Bore Pipe Supports for Unit 2.*
Status: Delayed 14 months.

This activity was scheduled to be completed by April 9, 2012. The revised target completion date is June 28, 2013. This milestone is a construction activity relating to the placement of the pipe supports that will hold the Containment Vessel in place as concrete is poured for Unit 2. This activity is impacted by the delay in the pouring of safety related nuclear concrete resulting from the delay in the issuance of the COL by the NRC, as well as the sequence of other construction activities.

- **Milestone Activity No. 97** – *Start Concrete Fill of Nuclear Island Structural Modules CA01 and CA02 for Unit 2.*
Status: Delayed 11 months.

This activity was scheduled to be completed by February 26, 2013. The revised target completion date is February 4, 2014. This milestone is a construction activity associated with the pouring of concrete around and within the CA01 and CA02 modules within the Unit 2 Nuclear Island. This activity is impacted by the delay in the pouring of safety related nuclear concrete resulting from the delay in the issuance of the COL by the NRC, as well as the sequence of other construction activities.

- **Milestone Activity No. 101** – *Set Unit 2 Containment Vessel #3.*

Status: Delayed 11 months.

This activity was scheduled to be completed by April 17, 2013. The revised target completion date is April 1, 2014. This milestone is a construction activity associated with the placement of the Containment Vessel in the Unit 2 Nuclear Island. This activity is impacted by the delay in the pouring of safety related nuclear concrete resulting from the delay in the issuance of the COL by the NRC, as well as the sequence of other construction activities.

- **Milestone Activity No. 106** – *Receive Unit 2 Reactor Vessel On Site From Fabricator.*

Status: Delayed 11 months.

This activity was scheduled to be completed by May 20, 2013. Its revised target completion date is May 13, 2014. This milestone is a construction activity associated with receiving the Unit 2 Reactor Vessel on the construction site from the fabricator, Doosan. This activity is impacted by the delay in the placing of safety related nuclear concrete resulting from the delay in issuance of the COL by the NRC and additional fill concrete in the Nuclear Island for Unit 2. These issues resulted in schedule resequencing to support a later site need date and to limit the amount of time it is necessary to store the Reactor Vessel on site.

- **Milestone Activity No. 107** – *Set Unit 2 Reactor Vessel.*

Status: Delayed 11 months.

This activity was scheduled to be completed by June 18, 2013. Its revised target completion date is May 30, 2014. This milestone is a construction activity associated with setting the Unit 2 Reactor Vessel in its location in the Nuclear Island for Unit 2. This activity is impacted by the delay in the placing of nuclear safety related concrete resulting from the delay in issuance of the COL by the NRC, additional fill concrete in the Nuclear Island for Unit 2, and schedule sequencing and detailing.

- **Milestone Activity No. 112** – *Set Unit 2 Steam Generator.*

Status: Delayed 12 months.

This activity was scheduled to be completed by September 9, 2013. The revised target completion date is October 1, 2014. This milestone is a construction activity associated with the placement of the Steam Generator in the Unit 2 Nuclear Island. This activity is impacted by the delay in the pouring of safety related nuclear concrete resulting from the delay in the issuance of the COL by the NRC, as well as the sequence of other construction activities.

- **Milestone Activity No. 115** – *Set Unit 2 Containment Vessel Bottom Head on Basemat Legs.*

Status: Delayed 10 months.

This activity was scheduled to be completed by November 21, 2011. Its revised target completion date is September 19, 2012. This milestone is a construction activity associated with setting the Unit 2 Containment Vessel Bottom Head on the support legs located on the Nuclear Island concrete basemat. This activity is impacted by the delay in the placing of nuclear safety related concrete resulting from the delay in issuance of the COL by the NRC, the need for additional fill concrete in the Nuclear Island for Unit 2, and schedule sequencing and detailing.

- **Milestone Activity No. 120** – *Complete Welding of Unit 2 Passive Residual Heat Removal System Piping.*

Status: Delayed 10 months.

This activity was scheduled to be completed by March 19, 2014. The revised target completion date is January 14, 2015. This milestone is a construction activity associated with the welding of the Passive Residual Heat Removal System after it is installed in the Unit 2 Nuclear Island. This activity is impacted by the delay in the pouring of safety related nuclear concrete resulting from the delay in the issuance of the COL by the NRC, as well as the sequence of other construction activities.

- **Milestone Activity No. 123** – *Set Unit 2 Polar Crane.*

Status: Delayed 10 months.

This activity was scheduled to be completed by April 3, 2014. Its revised target completion date is February 15, 2015. This milestone is a construction activity associated with setting the Unit 2 Polar Crane inside the Nuclear Island Containment Vessel for Unit 2. This activity is impacted by schedule sequencing and detailing.

- **Milestone Activity No. 127** – *Start Electrical Cable Pulling in Unit 2 Auxiliary Building.*

Status: Delayed 11 months.

This activity was scheduled to be completed by December 26, 2014. Its revised target completion date is December 14, 2015. This milestone is a construction activity associated with beginning the installation of electrical cable inside the Unit 2 Auxiliary Building which is located in the Nuclear Island for Unit 2. This activity is impacted by schedule sequencing and detailing.

- **Milestone Activity No. 132** – *Load Unit 2 Nuclear Fuel.*

Status: Delayed 10 months.

This activity was scheduled to be completed by October 28, 2015. Its revised target completion date is September 17, 2016. This milestone is a Unit 2 start-up testing activity associated with loading the nuclear fuel for Unit 2 and initiating the start-up test program. This activity is impacted by the delay in issuance of the COL by the NRC, the need for additional fill concrete in the Nuclear Island for Unit 2, the additional duration for the Shield Building construction and schedule sequencing and detailing.

- **Milestone Activity No. 133** – *Unit 2 Substantial Completion.*

Status: Delayed 11 months.

This activity was scheduled to be completed by April 1, 2016. Its revised target completion date is March 15, 2017. This milestone is a Unit 2 start-up testing activity associated with satisfactory completion of the Unit 2 Performance Test. The substantial completion of Unit 2 is the last milestone associated with the unit. This activity is impacted by the delay in issuance of the COL by the NRC, the need for additional fill concrete in the Nuclear Island for Unit 2, the additional duration for the Shield Building construction and schedule sequencing and detailing.

SCE&G's Milestone Schedule attached to the Report indicates that overall construction does not allow Unit 2 to be completed by the EPC Contract substantial completion date of April 1, 2016. ORS's review of the schedule approved in Order No. 2010-12 and the EPC Contract confirms that the project remains on schedule with the schedule criteria established in the Base Load Review Order. ORS also confirms that the substantial completion date of April 1, 2016 for Unit 2 – as set forth in the EPC Contract – will be delayed due to a delay in the issuance of the COL. As previously stated, the Company filed its Update Filing with the Commission in Docket No. 2012-203-E. This filing addresses changes to the substantial completion dates for both Units. Additional information on the filing can be found in the Section "Notable Activities Occurring After March 31, 2012." Appendix A shows details of the Milestone Schedule as of March 31, 2012.

ORS reviews all invoices associated with the Milestone Schedule and during the 1st quarter of 2012, there were two (2) invoices paid. ORS reviews invoices to ensure that the invoice amounts are consistent with the EPC payment schedule and determines that, where applicable as outlined in the EPC Contract, the escalation applied is consistent with the updated Handy Whitman inflation indices.

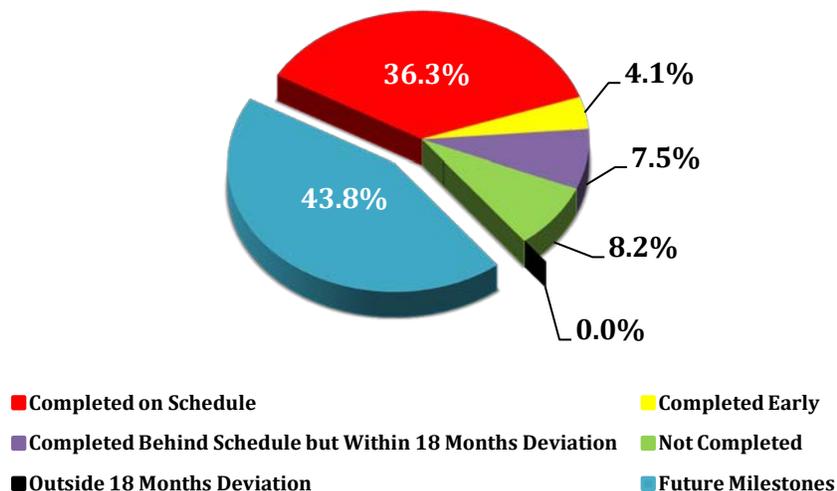
Table 1 shows the status of the 82 historical milestones and Chart 1 shows the status of all 146 milestones for the 1st quarter of 2012 and prior.¹

Table 1:

Historical Milestones		
<i>1st Quarter 2012 and Prior</i>		
82 of 146 Total Milestones		
	# of Milestones	% of All Milestones²
Completed on Schedule	53	36.3%
Completed Early	6	4.1%
Completed Behind Schedule but Within 18 Months Deviation	11	7.5%
Not Completed	12	8.2%
Outside 18 Months Deviation	0	0.0%
Total Historical Milestones	82	56.2%

Chart 1:

Milestone Status
1st Quarter 2012 and Prior



¹ 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, 2011 and the actual completion date is December 29, 2010, 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.

² Slight variances may occur due to rounding.

Table 2 shows the status of the 64 future milestones and Chart 2 shows the status of all 146 milestones for the 2nd quarter 2012 and beyond.³

Table 2:

Future Milestones <i>2nd Quarter 2012 and Beyond</i> 64 of 146 Total Milestones		
	# of Milestones	% of All Milestones⁴
Completed Early	2	1.4%
Projected to be Completed on Schedule	10	6.8%
Projected to be Completed Early	21	14.4%
Projected to be Completed Behind Schedule but Within 18 Months Deviation	31	21.2%
Projected to be Outside 18 Months Deviation	0	0.0%
Total Future Milestones	64	43.8%

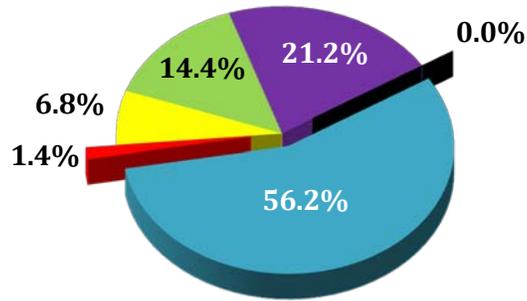
Chart 2:

³ 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, 2011 and the actual completion date is December 29, 2010, 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.

⁴ Slight variances may occur due to rounding.

Milestone Status

2nd Quarter 2012 and Beyond



■ Completed Early

■ Projected to be Completed on Schedule

■ Projected to be Completed Early

■ Projected to be Completed Behind Schedule but Within 18 Months Deviation

Specific Construction Activities

Major construction activities during the 1st quarter of 2012 are listed below:

- On site assembly and initial load testing of the Heavy Lift Derrick (“HLD”) were completed during 1st quarter 2012. Final load and functionality testing are scheduled to be completed during 2nd quarter 2012.
- Construction of the electrical switchyard continued throughout the quarter and is on schedule. It is anticipated to be energized on schedule in 1st half of 2013. This date supports the project schedule.
- Unit 2 excavation was completed on schedule. As the bedrock in portions of the Unit 2 excavation was deeper than expected, additional fill concrete will be required to create a level surface prior to pouring the mud mat. The Unit 2 excavation is being maintained pending issuance of the COL, with work ongoing on the forms needed to begin pouring concrete. Unit 2 excavation is a critical path activity for Unit 2.
- Unit 3 excavation activities continue to make progress this quarter, with the drilling and blasting of bedrock beginning 1st quarter 2012. It is anticipated that Unit 3 excavation will be completed by the end of the summer, and that the NRC will conduct geologic mapping of the rock surface shortly thereafter. This is a critical path activity for Unit 3.
- Work on the design and testing of the safety-related concrete mix is ongoing. Testing of the first three safety-related concrete mixes occurred during the quarter, with all passing the initial 28-day compressive strength test.
- CB&I’s construction activities continue, with final fit up and welding of the Containment Vessel bottom head plates continuing in the 1st quarter 2012. Radiographic testing of the welds, buffing and grinding activities were also completed during the 1st quarter 2012. Additionally, assembly of the support structure for the first Containment Vessel ring was completed during this quarter.
- Construction of the CA20 Platen inside the Module Assembly Building (“MAB”) was completed during the 3rd quarter of 2011. Seven (7) CA20 submodules have been delivered to the site through the end of the 1st quarter 2012, with six (6) of these arriving on site during 1st quarter 2012. Assembly of the CA20 module is a critical path activity.
- Construction of the CA01 Platen inside the MAB continued throughout 1st quarter 2012. Assembly of the CA01 module is a critical path activity.

- Construction of the Unit 2 CR-10 Module (Nuclear Island Containment Vessel support structure) began in January 2012. Construction of the module is being conducted outside of the MAB next to the Unit 2 Nuclear Island. It is scheduled to be complete in 2nd quarter 2012.
- Waterproof membrane testing continued through the 1st quarter 2012, and the installation subcontract for the waterproof membrane has been awarded. Horizontal waterproof membrane materials arrived on site during the 4th quarter of 2011, and are being stored pending the completion of concrete work necessary for installation. Installation of the waterproof membrane is a critical path activity.

Photographs of 1st quarter construction activities are shown in Appendix B.

Critical Path Activities

The following activities are identified on the construction schedule as critical path activities scheduled to begin before March 31, 2012. The status of these critical path activities is based on a July 1, 2011 COL issue date.

- **Unit 2 Basemat**

The preparation for pouring of the mud mat began with concrete pouring forms being placed in the Unit 2 Nuclear Island. The actual pouring of the mud mat was scheduled to begin in June 2011, and is behind schedule. Activities surrounding the placement of the mud mat have been dependent on the issuance of the COL.

- **Unit 2 CA01 Module**

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

In previous quarterly reports, ORS has 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. SCE&G has routinely visited the SMS facility to monitor production and QAP issues. Beginning in March 2012, SCE&G is maintaining a full-time presence at the SMS facility.

The NRC visited SMS during the 4th quarter of 2011 to perform a vendor inspection audit. The NRC issued its inspection report on January 6, 2012 in which nine (9) Notice of Nonconformance issues in the QAP were identified. SMS issued its reply on March 9,

2012. In it, SMS identified corrective action procedures it had initiated and completion dates to address each of the Notice of Nonconformance issues identified. Additional information on SMS is provided in the Section “Notable Activities Occurring After March 31, 2012.”

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 SMS. 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. However, the critical path activity specific to the delivery of the components for the first ring of the Containment Vessel scheduled for August 2011 was delayed. The first components for the first ring of the Containment Vessel were delivered during the 1st quarter 2012. The critical path also indicated that the Containment Vessel bottom head for Unit 2 should be set in the Nuclear Island prior to the end of the 1st quarter 2012. This activity is dependent on the placement of the Unit 2 mud mat and basemat, which in turn have been dependent on the issuance of the COL.

- **Unit 2 CA20 Module**

Site assembly of the CA20 module was scheduled to begin in November 2010 and the module was scheduled to be set prior to the end of the 4th quarter 2011, but as of the end of the 1st quarter 2012 a sufficient quantity of sub-modules had not been received to begin assembly of the module. These sub-module segments are being fabricated by SMS. ORS will continue to closely monitor and report on SMS. This critical path activity is behind schedule.

- **Unit 3 Basemat**

Excavation of the Nuclear Island is ongoing. 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 associated with the Units. This project will consist of two phases.

Phase 1 will consist 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 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, two new 230 kV interconnections between Switchyard 1 and Switchyard 2 will be constructed. Initial deliveries and construction of the Phase 1 lines began during the 1st quarter of 2012.

Phase 2 will consist of construction of two (2) new 230 kV transmission lines in support of Unit 3: VCS2–St. George Line #1 and VCS2–St. George Line #2. Both of these lines will connect Switchyard 2 to the yet-to-be constructed St. George Substation. Also, a third 230 kV interconnection between Switchyard 1 and Switchyard 2 will be constructed.

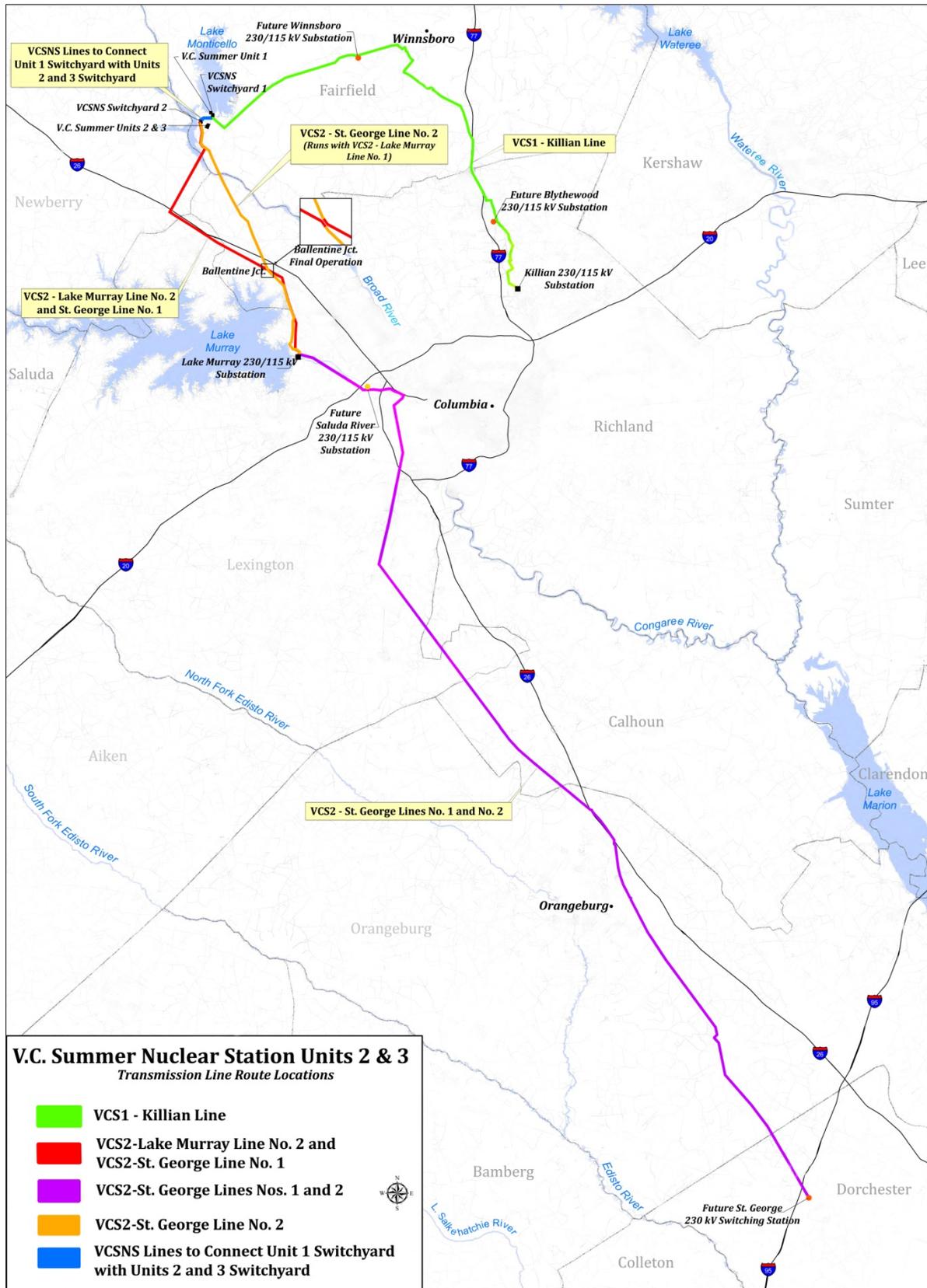
The four (4) new transmission lines, extending approximately two-hundred-fifty (250) miles in total, will occupy existing transmission right-of-way corridors except for approximately six (6) miles of the VCS1–Killian Line corridor. SCE&G commenced right-of-way acquisition on the Blythewood-Killian segment of the VCS1-Killian Line on March 22, 2011. As of March 31, 2012, the Company has acquired 47 of the 50 required parcels.

SCE&G has completed the Siting and Environmental Reports for Units 2 & 3 lines in support of its application for a Certificate of Environmental Compatibility and Public Convenience & Necessity. Subsequent to the end of the 1st quarter, an application was filed with the Commission in Docket No. 2012-225-E for Phase 2 of the project.

SCE&G has identified two substantial changes to the previously outlined transmission plan. Rather than installing additional autobanks at the Lake Murray 230 kV Substation and the Denny Terrace 230 kV substation, the Company, for reliability and operational considerations, opted to construct a new substation. This change will require modifications to (1) the 115 kV line between the Saluda River substation and the Lyles substation, and (2) the 115 kV line between the Saluda Hydro Substation and the Williams Street Substation. SCE&G states that it is currently in the process of purchasing the site for the new substation. The second change involves undergrounding a portion of the Parr-VCSN 115 kV safeguard line that will provide backup power to Unit 1. Other transmission work necessary in the area would have resulted in multiple crossings of this line, which raised reliability and safety concerns.

Map 1 shows the geographical location of the four (4) new transmission lines and other associated facilities to support the Units.

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



Change Orders

During the 1st quarter of 2012, three Change Orders were executed. Change Order No. 13 provides for three additional computer workstations for each unit. This Change Order is owner directed, and is a no cost Change Order.

Change Order No. 14 provides for Phase 1 of the cyber security enhancements necessary to comply with 10 CFR 73.54, an NRC directive issued in March 2009 requiring licensees to provide high assurance that digital computer and communication systems and networks are adequately protected against cyber attacks. Subsequent NRC directives have further clarified the NRC's expectations regarding this issue. As this requirement was implemented by the NRC after the EPC contract was signed, this Change Order is classified as an Entitlement. The project is split into two phases, as analysis from Phase 1 is necessary to provide more detailed cost information for Phase 2. The estimated cost to the Company for this Change Order for Phase 1 is \$914,422. The preliminary cost estimate for Phase 2 is \$4.95 million.

Change Order No. 15 provides for gravity drainage of the liquid waste system ("LWS") discharge piping. This is an owner directed Change Order. The Company prefers gravity drainage rather than pumping for the system, and this is consistent with responses provided to the NRC during the Final Safety Evaluation Report ("FSER") process. The estimated cost to the Company for this Change Order is \$8,250.

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 #8
5	<i>*Supplements Change Order #1*</i> Increased training by two 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	Fixed Price	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	LWS 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

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 commensurate amount.

Federal Licensing Activities

SCE&G's COL hearing before the NRC was held October 12-13, 2011. As the reference plant material was discussed at the September 27-28, 2011 hearing, the October hearing for the Company focused on site specific matters.

The NRC held an affirmation session for Southern Company's Vogtle plant on February 9, 2012, and voted 4-1 to issue Southern Company a COL for the two AP1000 units being constructed there. The COL was issued the next day. This was an important federal licensing milestone as the Vogtle COL is the reference COL being used as the basis for future AP1000 reactors, with the analysis of subsequent AP1000 COL's focusing on site specific issues.

The affirmation session for SCE&G's COL was held by the NRC on March 30, 2012. The Commission voted 4-1 to issue SCE&G a COL for the construction and operation of the Units. SCE&G received the final COL from the NRC the same day.

Following the issuance of the 401 Water Quality Certification by the South Carolina Department of Health and Environmental Control in December 2011, the final review for the 404 Clean Water Act Permit for construction on site as well as along transmission rights-of-way was issued by the Army Corps of Engineers. The permit was issued on March 30, 2012.

The Company has completed its Federal Licensing Activities associated with the issuance of the COL. Table 4 below provides the completed dates associated with the review of SCE&G's COL.

Table 4:

Review Schedule for SCE&G's Combined License Application		
Key Milestones		Completion Date
Application		
Application Submitted		Completed – 03/27/2008
Safety Review		
Phase A	Requests for Additional Information (“RAIs”) and Supplemental RAIs	Completed – 09/10/2009
Phase B	Advanced Final Safety Evaluation Report (“SER”) without Open Items	Completed – 12/10/2010
Phase C	ACRS Review of Advanced Final SER	Completed – 03/26/2011
Phase D	Final SER Issued	Completed – 08/17/2011
Environmental Review		
Phase 1	Environmental Impact Statement scoping report issued	Completed – 07/15/2009
Phase 2	Draft Environmental Impact Statement (“DEIS”)	Completed – 04/16/2010
Phase 3	Response to Public Comments on DEIS	Completed – August 2010
Phase 4	Final Environmental Impact Statement	Completed – 04/15/2011
Hearing		
NRC holds Mandatory Hearing		Completed – 10/13/2011
License		
NRC Rulemaking Decision		Completed – 03/30/2012
NRC Issuance of Combined License		Completed – 03/30/2012

Approved Budget Review

ORS's budget review includes an analysis of the 1st 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. 2011-345, 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 1st quarter of 2012, SCE&G's total base project cost (in 2007 dollars) is \$4.553 billion. The Report shows the total base project cost has increased by approximately \$283 million over the Commission approved budget amount. This includes a decision by the Company that it would not seek recovery for \$103,000 in Community/Support Outreach costs that WEC and Shaw have included in costs to be charged under the EPC Contract.

Project Cash Flow

As shown in Appendix 2 of the Company's Report, the cumulative amount spent on the project as of December 31, 2011 is \$1.210 billion. The cumulative forecasted amount to be spent on the project by December 31, 2012 is \$1.924 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. 2011-345. To produce a common basis for the comparison, line 16 adjusts the approved cash flow schedule to reflect the current escalation rates. As of March 31, 2012, the comparison shows the yearly maximum annual

variance above and below 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 \$258.138 million under budget at the end of 2012. At the completion of the project in 2018, the cumulative project cash flow is forecasted to be approximately \$320.411 million over budget.

Table 5 shows the annual and cumulative project cash flows as compared to those approved in Order No. 2011-345.

Table 5:

Project Cash Flow Comparison			
<i>\$'s in Thousands ⁶</i>			
		Annual Over/(Under)	Cumulative Over/(Under)
Actual ⁷	2007	-	-
	2008	\$0	\$0
	2009	\$0	\$0
	2010	\$0	\$0
	2011	(\$140,100)	(\$140,100)
Projected	2012	(\$118,038)	(\$258,138)
	2013	\$125,994	(\$132,144)
	2014	\$392,188	\$260,044
	2015	\$257,554	\$517,598
	2016	\$81,758	\$599,357
	2017	(\$64,931)	\$534,426
	2018	(\$214,015)	\$320,411

In summary, the Report shows an increase in the total base project cost of approximately \$282.951 million (in 2007 dollars). Due to escalation, a project cash flow of approximately \$320.411 million more is necessary to complete the project in 2018. These

⁶ Slight variances may occur due to rounding.

⁷ The actual comparison amounts for 2007 through 2010 equate to zero in accordance with the updated capital cost schedules approved in Order No. 2011-345

forecasts reflect the updated capital cost schedules approved in Order No. 2011-345, the current construction schedule and the inflation indices in the Company's Appendix 4.

AFUDC and Escalation

The forecasted AFUDC for the total project as of the end of the 1st quarter of 2012 is \$237.926 million and is based on a forecasted 5.28% AFUDC rate. This is an increase of approximately \$25.612 million from the Company's 2011 4th Quarter Report.

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 March 31, 2012, the SCE&G forecasted gross construction cost of the plant is \$5.762 billion as compared to the approved gross construction cost of \$5.787 billion, which reflects a decrease of approximately \$25 million.

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 Construction Work in Progress ("CWIP")
- Physically observes construction activities
- Performs 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 Combined License Application and other construction activities

Notable Activities Occurring after March 31, 2012

The BLRA allows SCE&G 45 days from the end of the current quarter to file its Report. Items of importance that occurred subsequent to the closing of the 1st quarter 2012 are reported below.

BLRA Update Filing

On May 15, 2012, SCE&G filed an application with Commission in Docket No. 2012-203-E for updates and revisions to schedules related to the construction of the Units. 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. This is consistent with the third scenario of the COL delay study called for in Change Order No. 11. Change Order No. 11 called for a study - conducted by WEC/Shaw - to consist of three possible scenarios to assist in the Company's response to the COL issuance delay, and was discussed in ORS's review of SCE&G's 2011 1st Quarter Report.

The costs associated with these new substantial completion dates have been updated in the Company's EPC Contract with WEC/Shaw. These costs are labeled Updated EPC Contract Costs ("Updated Costs") by the Company, and include design changes for both the shield building and structural modules, additional concrete and rock removal related to the depth of portions of the Unit 2 bedrock, and delays associated with NRC licensing. The total resulting cost for these changes result in a total additional cost to SCE&G for the project of approximately \$137.5 million.

Cost forecasts were also updated for a total additional cost to the project of approximately \$145.5 million in three (3) main categories: Change Orders, Owners Costs and Transmission Costs. Change Order Nos. 13, 14 and 15 were executed during the quarter and are incorporated in the filing. The total additional cost to the Company as reflected in the filing from these Change Orders is approximately \$6 million. The Company also requested an increase of approximately \$131.6 million in Owners Costs to cover an updated hiring plan that includes increased construction staffing for additional shifts as well as increased operational staffing and accompanying infrastructure. The remaining portion of the request reflects an increase of approximately \$7.9 million in transmission costs. These transmission costs are associated with the construction of the new Saluda River Substation, undergrounding a portion of the Parr-VCSN line to address safety concerns at a point where the line would be crossed multiple times by other lines, upgrading terminals and buses at the Canadys, Summerville, and Saluda Hydro Substations due to conductor upgrades, and lowering of the Parr-Midway line to meet National Electric Safety Code crossing clearances.

Santee Cooper

On April 13, 2012, Santee Cooper issued a press release, which is attached as Appendix C, announcing it had signed a Letter of Intent with South Mississippi Electric Power Association (“SMEPA”) 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, which is attached as Appendix D, 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. (“AMP”).

SMS

On April 4, 2012, the NRC issued an RAI addressing one of the Notice of Nonconformance areas addressed by SMS. Additional documentation was provided by SMS to the NRC on May 23, 2012 and a follow-up telephone call with the NRC was conducted on June 12, 2012. The NRC closed out the last remaining issue on June 13, 2012. SCE&G took delivery of four (4) CA20 submodules during April and May 2012, bringing the total number of submodules on site to ten (10). However, pending unresolved issues relating to module design precluded the welding of the submodules inside of the MAB, though fit up activities were completed.

Mangiarotti

Subsequent to the end of the quarter, SCE&G reported a design issue with the Core Makeup Tank. There was an error with the calculations for the temperature of the inlet nozzle diffuser during heat up and cool down. The inlet nozzle diffuser will need to be redesigned to correct this issue before it can be incorporated into the Core Makeup Tank. This may further impact Milestone Activity No. 61 - Core Makeup Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest – Unit 2.

NPDES Permit Application

As previously stated, the Company filed an application for a NPDES permit during the 1st quarter of 2012 with DHEC. The public comment period for the application ends on July 9, 2012, subsequent to the quarter. DHEC held a public hearing for the permit on June 19, 2012. SCE&G anticipates the permit to be issued during 3rd quarter 2012. The Company needs to obtain the permit before it begins construction of the Raw Water System and Wastewater System.

Basemat Rebar Cages

Subsequent to the end of the quarter, SCE&G reported an issue with the basemat rebar cages under construction at the site. In May 2012, the NRC challenged changes that were made to the design of the rebar cages, and whether these changes should have been approved by the NRC prior to their implementation. Construction of the rebar cages has been suspended by the Company until a resolution with the NRC is reached.

SCE&G's 2012 2nd Quarter Report is due 45 days after June 30, 2012. ORS expects to continue publishing a review evaluating SCE&G's quarterly reports.

Appendix A

Detailed Milestone Schedule as of March 31, 2012

Key:

Milestones Not Completed	Completed Prior to Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
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 Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
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	Stream 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 Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
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 Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
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 Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
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 Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
50	Reactor Vessel Internals - Fabricator Start Weld Neutron Shield Spacer Pads to Assembly - Unit 2	10/31/2011	7/31/2012	No	No		Delayed 9 Months
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 Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
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	5/31/2011	7/31/2012	No	No		Delayed 14 Months
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	7/14/2011	5/11/2012	No	No		Delayed 10 Months
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	2/28/2012	4/30/2012	No	No		Delayed 2 Months

Key:

Milestones Not Completed	Completed Prior to Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
69	Begin Unit 2 First Nuclear Concrete Placement	10/3/2011	7/31/2012	No	No		Delayed 10 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	12/31/2012	No	No		
74	Control Rod Drive Mechanism - Ship Remainder of Equipment (Latch Assembly & Rod Travel Housing) to Head Supplier - Unit 2	12/31/2011	6/30/2012	No	No		Delayed 6 Months
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	6/30/2011	4/30/2012	No	No		Delayed 10 Months
77	Design Finalization Payment 14	10/31/2011		No	No	10/31/2011	

Key:

Milestones Not Completed	Completed Prior to Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
78	Set Module CA04 For Unit 2	1/27/2012	10/16/2012	No	No		Delayed 8 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	1/31/2011	4/30/2012	No	No		Delayed 15 Months
81	Polar Crane Fabricator Notice to Contractor of Girder Fabrication Completion - Unit 2	2/28/2012	10/31/2012	No	No		Delayed 8 Months
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	4/3/2012	7/5/2013	No	No		Delayed 15 Months
84	Reactor Coolant Pump Fabricator Delivery of Casings to Port of Export - Unit 2	3/31/2012	5/31/2012	No	No		Delayed 2 Months
85	Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 3	8/31/2013	1/31/2013	No	No		7 Months Early
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 Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
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	8/30/2012	6/26/2013	No	No		Delayed 10 Months
89	Squib Valve Fabricator Notice to Contractor of Completion of Assembly and Test for Squib Valve Hardware - Unit 2	5/31/2012	4/30/2012	No	No		1 Month Early
90	Accumulator Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	12/31/2012	2/28/2013	No	No		Delayed 2 Months
91	Polar Crane Fabricator Notice to Contractor of Electric Panel Assembly Completion - Unit 2	7/31/2012	3/31/2013	No	No		Delayed 8 Months
92	Start Containment Large Bore Pipe Supports for Unit 2	4/9/2012	6/28/2013	No	No		Delayed 14 Months
93	Integrated Head Package - Shipment of Equipment to Site - Unit 2	10/31/2012	2/28/2013	No	No		Delayed 4 Months
94	Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 2	11/30/2012	5/31/2013	No	No		Delayed 6 Months
95	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 3	5/31/2013	4/30/2013	No	No		1 Month Early

Key:

Milestones Not Completed	Completed Prior to Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
96	Steam Generator Fabricator Notice to Contractor of Satisfactory Completion of 1st Steam Generator Hydrotest - Unit 2	5/31/2012	1/31/2013	No	No		Delayed 8 Months
97	Start Concrete Fill of Nuclear Island Structural Modules CA01 and CA02 for Unit 2	2/26/2013	2/4/2014	No	No		Delayed 11 Months
98	Passive Residual Heat Removal Heat Exchanger - Delivery of Equipment to Port of Entry - Unit 2	4/30/2012	8/31/2012	No	No		Delayed 4 Months
99	Refueling Machine Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 2	2/28/2013	10/31/2013	No	No		Delayed 8 Months
100	Deliver Reactor Vessel Internals to Port of Export - Unit 2	7/31/2013	7/31/2013	No	No		
101	Set Unit 2 Containment Vessel #3	4/17/2013	4/1/2014	No	No		Delayed 11 Months
102	Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 2	3/31/2013	4/30/2013	No	No		Delayed 1 Month
103	Turbine Generator Fabricator Notice to Contractor Turbine Generator Ready to Ship - Unit 2	4/30/2013	3/31/2013	No	No		1 Month Early
104	Pressurizer Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	2/28/2014	12/31/2013	No	No		2 Months Early

Key:

Milestones Not Completed	Completed Prior to Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
105	Polar Crane - Shipment of Equipment to Site - Unit 2	5/31/2013	12/31/2013	No	No		Delayed 7 Months
106	Receive Unit 2 Reactor Vessel On Site From Fabricator	5/20/2013	5/13/2014	No	No		Delayed 11 Months
107	Set Unit 2 Reactor Vessel	6/18/2013	5/30/2014	No	No		Delayed 11 Months
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	2/28/2014	No	No		6 Months Early
110	Reactor Coolant Pump - Shipment of Equipment to Site (2 Reactor Coolant Pumps) - Unit 2	9/30/2013	8/31/2013	No	No		1 Month Early
111	Place First Nuclear Concrete for Unit 3	8/1/2013	8/1/2013	No	No		
112	Set Unit 2 Steam Generator	9/9/2013	10/1/2014	No	No		Delayed 12 Months
113	Main Transformers Ready to Ship - Unit 2	9/30/2013	7/31/2013	No	No		2 Months Early

Key:

Milestones Not Completed	Completed Prior to Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
114	Complete Unit 3 Steam Generator Hydrotest at Fabricator	2/28/2014	4/30/2014	No	No		Delayed 2 Months
115	Set Unit 2 Containment Vessel Bottom Head on Basemat Legs	11/21/2011	9/19/2012	No	No		Delayed 10 Months
116	Set Unit 2 Pressurizer Vessel	1/24/2014	3/18/2014	No	No		Delayed 1 Month
117	Reactor Coolant Pump Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 3	2/28/2015	3/31/2015	No	No		Delayed 1 Month
118	Deliver Reactor Vessel Internals to Port of Export - Unit 3	6/30/2015	4/30/2015	No	No		2 Months Early
119	Main Transformers Fabricator Issue P.O. for Material - Unit 3	4/30/2014	7/31/2014	No	No		Delayed 3 Months
120	Complete Welding of Unit 2 Passive Residual Heat Removal System Piping	3/19/2014	1/14/2015	No	No		Delayed 10 Months
121	Steam Generator - Contractor Acceptance of Equipment At Port of Entry - Unit 3	4/30/2015	9/30/2014	No	No		7 Months Early
122	Refueling Machine - Shipment of Equipment to Site - Unit 3	5/31/2014	5/31/2014	No	No		
123	Set Unit 2 Polar Crane	4/3/2014	2/15/2015	No	No		Delayed 10 Months

Key:

Milestones Not Completed	Completed Prior to Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
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	9/30/2014	6/30/2015	No	No		Delayed 9 Months
126	Spent Fuel Storage Rack - Shipment of Last Rack Module - Unit 3	12/31/2014	6/30/2014	No	No		6 Months Early
127	Start Electrical Cable Pulling in Unit 2 Auxiliary Building	12/26/2014	12/14/2015	No	No		Delayed 11 Months
128	Complete Unit 2 Reactor Coolant System Cold Hydro	8/3/2015	2/27/2016	No	No		Delayed 6 Months
129	Activate Class 1E DC Power in Unit 2 Auxiliary Building	3/5/2015	6/10/2015	No	No		Delayed 3 Months
130	Complete Unit 2 Hot Functional Test	9/21/2015	6/18/2016	No	No		Delayed 9 Months
131	Install Unit 3 Ring 3 for Containment Vessel	7/30/2015	4/15/2015	No	No		3 Months Early
132	Load Unit 2 Nuclear Fuel	10/28/2015	9/17/2016	No	No		Delayed 10 Months
133	Unit 2 Substantial Completion	4/1/2016	3/15/2017	No	No		Delayed 11 Months

Key:

Milestones Not Completed	Completed Prior to Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
134	Set Unit 3 Reactor Vessel	10/1/2015	4/21/2015	No	No		5 Months Early
135	Set Unit 3 Steam Generator #2	12/22/2015	10/16/2015	No	No		2 Months Early
136	Set Unit 3 Pressurizer Vessel	5/16/2016	3/9/2016	No	No		2 Months Early
137	Complete Welding of Unit 3 Passive Residual Heat Removal System Piping	6/20/2016	4/21/2016	No	No		2 Months Early
138	Set Unit 3 Polar Crane	7/18/2016	4/27/2016	No	No		2 Months Early
139	Start Unit 3 Shield Building Roof Slab Rebar Placement	1/16/2017	8/2/2016	No	No		5 Months Early
140	Start Unit 3 Auxiliary Building Electrical Cable Pulling	4/6/2017	10/10/2016	No	No		5 Months Early
141	Activate Unit 3 Auxiliary Building Class 1E DC Power	6/9/2017	7/1/2016	No	No		11 Months Early
142	Complete Unit 3 Reactor Coolant System Cold Hydro	1/1/2018	11/17/2017	No	No		1 Month Early
143	Complete Unit 3 Hot Functional Test	2/15/2018	3/8/2018	No	No		

Key:	Milestones Not Completed	Completed Prior to Q1-12	Current Quarter	Scheduled to Be Completed Q2-12	ORS Caution Milestone
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Activity Number	Milestone	Completion Date Approved in Order No. 2010-12	Scheduled Completion Date as of Q1-12	Outside 18 - 24 Month Contingency?	Impact to Substantial Completion Date?	Actual Completion Date	Deviation from Order No. 2010-12
144	Complete Unit 3 Nuclear Fuel Load	7/31/2018	7/12/2018	No	No		
145	Begin Unit 3 Full Power Operation	10/31/2018	11/15/2018	No	No		
146	Unit 3 Substantial Completion	1/1/2019	1/1/2019	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 1st Quarter 2012.
Yellow highlighting represents those Milestones that are scheduled to be or have been completed during the 1st Quarter 2012. This is based on the schedule approved by the Commission in Order No. 2010-12
Green highlighting represents Future Milestones that are scheduled to be completed in the 2nd Quarter of 2012. This is based on the schedule approved by the Commission in Order No. 2010-12
Red highlighting represents "Caution Milestones." Caution Milestones are those that are delayed by 10 months or greater.

Appendix B

Construction Site Photographs

Unit 2 Nuclear Island



Heavy Lift Derrick



Unit 2 Containment Vessel Bottom Head



CA01 Platen Inside MAB



Unit 2 CR-10 Module



Cooling Tower 2A



Appendix C

Santee Cooper/SMEPA Press Release

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NEWS RELEASE

April 13, 2012

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Santee Cooper, South Mississippi enter into letter of intent for share of V.C. Summer Nuclear Station units 2 and 3

MONCKS CORNER, S.C. – Santee Cooper and South Mississippi Electric Power Association announced today that a letter of intent had been jointly executed, which provides for negotiations for the development of a power purchase agreement wherein South Mississippi may potentially secure a minority interest in Santee Cooper's share of new units under construction at V.C. Summer Nuclear Station.

Santee Cooper owns 45 percent of the V.C. Summer expansion, and SCE&G owns 55 percent. In 2010, Santee Cooper began evaluating its level of ownership percentage in the new nuclear facilities, a review that continues and has been disclosed with rating agencies and other key stakeholders. The NRC approved combined construction and operating licenses for the project on March 30.

The letter of intent provides for the opportunity for South Mississippi Electric to secure 2-7 percent of the capacity and energy output from the generating station, which is roughly 4-14 percent of Santee Cooper's ownership interest in the two new units. The letter of intent also includes as part of the potential transaction an option for South Mississippi Electric's future acquisition of a portion of Santee Cooper's ownership interest.

South Mississippi Electric is a not-for-profit cooperative that generates, transmits and sells wholesale electric energy to 11 Member distribution cooperatives. These 11 Member systems own and maintain approximately 56,300 miles of distribution lines and provide service to approximately 410,000 homes and businesses in 56 of Mississippi's 82 counties, across 52 percent of the state's land mass. South Mississippi Electric's primary purpose is to provide affordable and reliable electric energy to its Members. The mission is accomplished by focusing on the core fundamentals of power generation, power purchasing, power delivery, and fuel-risk mitigation.

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NEWS RELEASE

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Santee Cooper is South Carolina's state-owned electric and water utility, and the state's largest power producer. The ultimate source of electricity for 2 million South Carolinians, Santee Cooper is dedicated to being the state's leading resource for improving the quality of life for the people of South Carolina. For more information, visit www.santecooper.com.

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Appendix D

Santee Cooper/AMP Press Release

NEWS RELEASE

April 24, 2012

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American Municipal Power Inc.
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Santee Cooper, AMP sign letter of intent to explore potential purchase of share of Summer Nuclear Station units 2 and 3

MONCKS CORNER, S.C. – Santee Cooper announced today it has signed a letter of intent with American Municipal Power Inc., (AMP) to explore the possible purchase of a minority interest in Santee Cooper's share of new units under construction at V.C. Summer Nuclear Station.

Santee Cooper owns 45 percent of the V.C. Summer expansion, and SCE&G owns 55 percent. In 2010, Santee Cooper began evaluating its level of ownership percentage in the new nuclear facilities, a review that continues and has been disclosed with rating agencies and other key stakeholders. The NRC approved combined construction and operating licenses for the project on March 30.

The letter of intent provides for negotiations through which AMP could possibly purchase from Santee Cooper approximately 2-5 percent of the nuclear units under construction, and allows AMP to perform additional analysis and due diligence. The LOI does not bind AMP to a purchase. Modeling commissioned by AMP and performed by SAIC supports the consideration of a nuclear resource in AMP's portfolio in the future.

American Municipal Power, Inc. is the nonprofit wholesale power supplier and services provider for 129 member municipal electric systems in the states of Ohio, Pennsylvania, Michigan, Virginia, Kentucky, West Virginia and Delaware. Combined these public utilities serve more than 625,000 customers. AMP members receive their power supply from a diversified resource mix that includes wholesale power purchases through AMP and the open market and energy produced at AMP and member-owned generating facilities utilizing fossil fuel, hydroelectric, wind and other renewable resources. The organization is focused on sustainability and increased use of renewable generation

NEWS RELEASE

resources. AMP currently has four run-of-the-river hydroelectric projects under construction on the Ohio River. Combined these four projects will add 300 MW of new hydro capacity to the region. AMP is pursuing additional solar, wind and landfill gas projects. For additional information, visit AMP's Web site at www.amppartners.org.

Santee Cooper is South Carolina's state-owned electric and water utility, and the state's largest power producer. The ultimate source of electricity for 2 million South Carolinians, Santee Cooper is dedicated to being the state's leading resource for improving the quality of life for the people of South Carolina. For more information, visit www.santecooper.com.