



C. Dukes Scott
Executive Director

STATE OF SOUTH CAROLINA
OFFICE OF REGULATORY STAFF

1401 Main Street
Suite 850
Columbia, SC 29201

December 17, 2009

VIA U.S. MAIL

Annette L. Vietti-Cook
Secretary of the Commission
United States Nuclear Regulatory Commission
Mail Stop O-16G4
Washington, DC 20555-0001

Re: South Carolina Electric and Gas Combined License Application

Dear Ms Vietti-Cook:

The South Carolina Office of Regulatory Staff ("ORS") has a statutory duty to represent the public interest in the State of South Carolina with respect to electric utility regulation. Specifically, ORS balances the concerns of the using and consuming public, the financial integrity of public utilities, and the economic development of South Carolina. In balancing these interests, ORS requests that it be allowed to attend meetings held by the Nuclear Regulatory Commission ("NRC") related to matters that could impact the issuance of the South Carolina Electric and Gas Company ("SCE&G") Combined License Application ("COLA") in Docket Nos. 52-027 and 52-028.¹ For instance, ORS understands that issues related to the AP1000 design are currently under review and it appears these matters must be resolved before any utilities', including SCE&G's, COLA is granted. ORS further understands that nuclear construction may not begin until SCE&G's COLA is issued by the NRC.

In Docket No. 2008-196-E, the Public Service Commission of South Carolina ("Commission") granted SCE&G permission to build two new nuclear units in South Carolina, V.C. Summer Nuclear Units 2 and 3, pursuant to the South Carolina Base Load Review Act ("the Act"). The Act authorizes SCE&G to collect financing costs on its capital costs during the construction. The construction is to follow a milestone construction schedule presented by SCE&G and approved by the Commission. Variations in

¹ORS, on behalf of the State of South Carolina, was granted permission by the NRC to participate as an interested state in Docket Nos. 52-027, 52-028, 52-022, and 52-023. These dockets respectively relate to COLAs for the following nuclear facilities: (1) South Carolina Electric & Gas Company's ("SCE&G's") V.C. Summer Nuclear Units 2 and 3 and (2) Progress Energy Carolinas, Inc.'s Shearon Harris Nuclear Power Plant Units 2 and 3.

the milestone construction schedule not approved by the Commission may impact the public interest ORS is charged to represent – the financial impact to South Carolina ratepayers, the financial integrity of SCE&G and economic development in South Carolina. For these reasons, ORS has a vested interest in ensuring the construction is in accordance with the approved milestone schedule and would greatly appreciate the NRC granting permission to ORS to attend meetings with the NRC.

ORS respects the NRC's values and principles of regulation and is sensitive to the public and licensee interests the NRC must appropriately balance. ORS, with its balancing interests, holds the comparable level of regulatory review on the state level, and a relationship with the NRC with regards to regulatory principals will ensure each agency's responsibilities are carried out thoroughly and appropriately.

If you would like to discuss these matters further, please contact ORS attorney Shannon Bowyer Hudson at 803.737.0889 or shudson@regstaff.sc.gov.

Thank you in advance for your time and attention to our request.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Dukes Scott', with a long horizontal flourish extending to the right.

C. Dukes Scott
Executive Director
South Carolina Office of Regulatory Staff