

**Office of Regulatory Staff
New Nuclear Development Update Report
V.C. Summer Units 2 & 3**

During the week of June 11, 2018, Office of Regulatory Staff – New Nuclear Development personnel (NND Personnel) worked at the VC Summer site on Monday.

On Monday June 11, NND Personnel attended the Plan of the Day meeting which focused on safety, SCE&G security and demobilization/abandonment of the site. The following activities were discussed:

- The SCE&G contractor continues to perform maintenance on storm water basins and evaluate closure of storm water permits.
- SCE&G is working on the site closure plan which involves closing several South Carolina Department of Health and Environmental Control permits. Further seeding of areas is required to reach the 70% vegetation to support permit closures. All areas have been prepared for seeding.
- Craft labor are preparing to remove all remaining hazardous waste (i.e., paint and chemicals) from the site.
- Craft labor continue to work on removing Harsco equipment and concrete forms.
- Craft labor are reorganizing the laydown yards to consolidate plant material. 268 of approximately 375 total truck loads have been moved.
- Craft labor moved 115 of approximately 300 total truck loads of plant equipment from the West Columbia (Metro) warehouse to the VC Summer site.
- Plant and personnel records located at the Metro warehouse were moved to the VC Summer site.

The SCE&G Abandonment Manager stated that Santee Cooper sent a letter to the NRC as a follow up to the meeting between NRC, Santee Cooper and SCE&G that occurred the week of May 21, 2018.

The Santee Cooper letter to the NRC was posted on the NRC website on Thursday 6/14/18 and is attached to this report. The letter states that Santee Cooper plans to immediately implement a maintenance, preservation and documentation program for the purpose of maintaining high value equipment (e.g., reactor coolant pumps, steam generators, pressurizers, reactor vessels and integrated head packages) on the VC Summer Units 2 & 3 site for future re-sale.

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June 4, 2018

Mr. Frederick D. Brown
Director Office of New Reactors
ATTN: Document Control Desk
U.S. Nuclear Regulatory Commission
Document Control Desk
Washington, D.C. 20555

Dear Mr. Brown,

Virgil C. Summer Nuclear Station (VCSNS) Units 2 & 3
Combined License (COL) Nos. NPF-93 and NPF-94
Docket Nos. 52-027 & 52-028

Subject: South Carolina Public Service Authority's Maintenance, Preservation & Documentation Program for VCSNS Units 2 & 3

- References:**
1. Letter from Jeffrey B. Archie to NRC, V.C. Summer, Units 2 and 3 – Notification of Termination of Project Construction, dated August 17, 2017 (ML17229B487)
 2. Letter from Jeffrey B. Archie to NRC, V.C. Summer Units 2 and 3 – SCE&G Request for Withdrawal of VCSNS Unit 2 & 3 COLs, dated December 27, 2017 (ML17361A088)
 3. Letter from Michael R. Crosby to NRC, Response to South Carolina Electric & Gas Company (SCE&G) Request for Withdrawal of VCSNS Unit 2 & 3 COLs, dated January 8, 2018 (ML 18010A068)
 4. Letter to Michael R. Crosby, Santee Cooper, from Frederick D. Brown, NRO, re: SCE&G and Santee Cooper Acknowledgement of V.C. Summer Termination Letter, dated April 18, 2018 (ML 18108A265)
 5. Letter to Jeffrey B. Archie, SCE&G, from Frederick D. Brown, NRO, re: SCE&G and Santee Cooper Acknowledgement of V.C. Summer Termination Letter, dated April 18, 2018 (ML18107A081)

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The purpose of this letter is to notify the NRC that the South Carolina Public Service Authority (the Authority), as the co-owner and co-licensee of VCSNS Units 2 & 3 with SCE&G, intends to implement immediately a maintenance, preservation & documentation (MPD) program to preserve the value of certain high value components of the Units (*e.g.*, reactor coolant pumps, steam generators, pressurizers, reactor vessels and integrated head packages) for potential future re-sale.

On July 31, 2017, the Authority's Board and the SCE&G Board resolved to cease construction of the in-progress VCSNS Units 2 & 3. As of that date, SCE&G stopped construction and related activities on the VCSNS Units 2 & 3, including all quality assurance (QA) activities as well as maintenance and environmental controls of installed and warehoused equipment.

On August 17, 2017, SCE&G formally notified the NRC that it had stopped construction activities on the VCSNS Units 2 & 3 site and placed the two units in a terminated status. On December 27, 2017, SCE&G requested NRC approval to withdraw the COLs for VCSNS Units 2 & 3. This request included a redress plan that called for equipment on the site to be abandoned in place, with periodic site inspections to ensure that none of the equipment or materials caused environmental, health, or safety problems.

On January 8, 2018, the Authority wrote in response to SCE&G's Request for Withdrawal of VCSNS Unit 2 & 3 COLs, objecting to the request on the grounds that, pursuant to the NRC's regulations, all reactor licensees must submit an application for termination of the license, and further, that the Authority did not consent to the termination of the Unit 2 & 3 COLs at that time. The Authority requested that the NRC hold SCE&G's request in abeyance while the Authority determined whether the transfer of SCE&G's interest in the Unit 2 & 3 COLs to itself was in the best interest of its customers.

On April 18, 2018, Frederick Brown, Acting Director of the Office of New Reactors at the NRC wrote to both SCE&G and the Authority acknowledging SCE&G's request for NRC's approval for withdrawal of the COLs for VCSNS Units 2 & 3, as well as the Authority's request that NRC delay action on the withdrawal request. He expressed the intent to complete review of SCE&G's withdrawal request in a timely manner, with an estimated completion date of August 31, 2018. He further noted that QA activities on the site would be "unnecessary" for a terminated plant where the licensee does not ever intend to restart construction or sell the plant or its parts, but that if a licensee were to consider either reactivation or transfer of the plant or its parts, it should consider actions such as a QA program associated with maintaining documentation attesting to the quality of the plant's structures, systems or components (SSCs) important to safety, and developing and implementing a program to preserve and maintain those SSCs.

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The Authority's opinion is that its customers will benefit from cost recovery through the resale of certain VCSNS Units 2 & 3 high valued components. Without an MPD program to maintain and preserve these components, however, they will lose value to the detriment of the Authority's customers. Therefore, the Authority intends to implement an on-site MPD program in order to preserve the value of such components by maintaining and preserving them as well as any associated QA records for potential future sale. This program is intended to preserve and maintain the selected components and associated QA records in a manner consistent with a supplier 10 C.F.R. 50 Appendix B QA program. The MPD program, however, will neither implement NRC-regulated construction or other activities on the VCSNS Unit 2 & 3 site, nor will it affect any NRC-licensed activity at another site.

With this letter, the Authority notifies the Commission that it intends to implement immediately an MPD program for the purpose of maintaining high-value equipment on the VCSNS Unit 2 & 3 site for future re-sale. The Authority recognizes that before any such equipment can be used in an NRC licensed utilization facility, such components must be recertified under an NRC approved 10 C.F.R. 50 Appendix B QA program.

We would welcome guidance from the Commission Staff regarding the Authority's MPD program. If you have any questions regarding this notice, please contact me at (843) 761-7081 or via e-mail at michael.crosby@santecooper.com

Sincerely,



Michael R. Crosby
Senior Vice President, Nuclear Energy

CC: James E. Brogdon
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