

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-20-E**

In the Matter of)
)
Amended Project Development)
Application of Duke Energy Carolinas, LLC)
for Approval of Decision to Incur Nuclear)
Generation Pre-Construction Costs)
)

**Duke Energy Carolinas, LLC's Report
of Lee Nuclear Station Activities and Expenditures
Pursuant to Section II, Paragraph 4 of the Settlement Agreement
July 1, 2012 through September 30, 2012**

**SCPSC Report Preconstruction Costs for Lee Nuclear Station Project Development
Activities January 1, 2011- September 30, 2012**

Task Description	Total 01/01/2011- 06/30/2012	This Period 07/01/2012 - 09/30/2012	Total 01/01/2011- 09/30/2012	Total Project Totals to Date
<i>COLA Preparation</i>	\$0	\$0	\$0	\$27,426,317
<i>NRC Review & Hearing Fees</i>	\$22,731,722	\$3,867,224	\$26,598,946	\$80,293,089
<i>Land and Right-of-way Purchases</i>	\$891,952	\$21,137	\$913,089	\$43,978,961
<i>Pre-construction and Site Preparation</i>	\$13,174,760	\$2,926,706	\$16,101,466	\$37,605,895
<i>Supply Chain, Construction Planning, and Detailed Engineering</i>	\$11,859,100	\$2,851,368	\$14,710,468	\$36,940,315
<i>Operational Planning</i>	\$1,485,460	\$363,174	\$1,848,634	\$3,400,241
<i>AFUDC</i>	\$29,201,660	\$5,853,351	\$35,055,011	\$74,024,052
Total	\$79,344,654	\$15,882,959	\$95,227,614	\$303,668,870

The activities included in each category are as follows:

COLA Preparation – includes Duke labor, expenses and contract support for preparation of the Combined Construction and Operating License (COL) Application tendered to the Nuclear Regulatory Commission (NRC) on 12/13/07. The NRC determined the application was suitable for review and docketed the application on 02/25/08.

NRC Review and Hearing Fees – includes the cost of the NRC review fees, Duke labor and expenses, contract labor and legal support required to support the NRC review of the Lee Nuclear Station COL application, and preparation for the Advisory Committee on Reactor Safeguards Subcommittee Hearing. Category also includes interactions with South Carolina Department of Health and Environmental Control (SCDHEC) and the US Army Corps of Engineers (USACE), as required to move the environmental permit applications forward.

Land and Right-of-Way Purchases – includes the purchase of land required for the Lee site and rail right-of-ways. Category also includes costs of purchasing additional land for a supplemental cooling pond in event of severe drought as well as costs for surveying the selected transmission right-of-way.

Pre-construction and Site Preparation – includes site activities to prepare the site for construction. Site preparation activities included: dewatering and cleanup of the excavated area, site remediation activities required to identify and properly dispose of hazardous wastes, and costs associated with the demolition and removal of unusable structures. Necessary rail bed and Make-up Pond B spillway maintenance has been completed. Continuing activities include: site security, utilities and miscellaneous site maintenance. Also included are engineering for bringing water, sewer, railroads, and communications to the site. Other activities such as: geotechnical evaluations (needed for engineering); and planning and engineering of necessary traffic improvements are also being completed.

Supply Chain, Construction Planning and Engineering – includes activities associated with working with the supplier to negotiate an Engineering, Procurement and Construction (EPC) agreement. Negotiations in 2008 did not result in an executed contract. Conceptual site specific engineering and construction planning activities necessary to develop a complete project definition are included in this category. Continuing construction planning activities serve to further develop construction plans and keep the construction plans in line with latest engineering. Detailed site specific engineering began in January, 2011, and continues in 2012. Commercial building design activities started in June 2012.

Operational Planning – includes activities associated with operator and plant staff training, including costs associated with the Knowledge and Abilities Catalog, required for operator license examinations for AP1000 plants, and the standardization of the nomenclature in the Westinghouse Master Equipment List (MEL). Continuing activities include: supporting operations program development, such as Quality Assurance (QA) Program, and the review of approximately 500 procedures. The training materials, operational programs, and operating procedures are all being developed in concert with other AP1000 utilities within the APOG framework. The *Operational Planning* category also includes generation of administrative procedures that must be in place upon receipt of COL from NRC.

Dated this 1st day of November, 2012.

Respectfully submitted,

DUKE ENERGY CAROLINAS, LLC



Timika Shafeek-Horton, Deputy General Counsel
Charles A. Castle, Associate General Counsel
Duke Energy Corporation
550 South Tryon Street, DEC 45A
Charlotte, North Carolina 28202
(704) 382-6373 TSH
(704) 382-4499 CAC
Timika.Shafeek-horton@duke-energy.com
Alex.Castle@duke-energy.com

Frank Ellerbe, III
Bonnie D. Shealy
Robinson, McFadden, & Moore, P.C.
P.O. Box 944
Columbia, South Carolina 29202
Telephone: (803) 779-8900
Fellerbe@robinsonlaw.com
bshealy@robinsonlaw.com