



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

March 7, 2019

Mr. James E. Brogdon, Jr.  
Interim President  
and Chief Executive Officer  
Santee Cooper  
One Riverwood Drive  
Moncks Corner, SC 29461-2901

Dear Mr. Brogdon:

By letter dated August 17, 2017,<sup>1</sup> the U.S. Nuclear Regulatory Commission (NRC) received formal notification from South Carolina Electric & Gas (SCE&G) that construction activities at Virgil C. Summer Nuclear Station (VCSNS), Units 2 and 3, had stopped as of July 31, 2017, and that VCSNS Units 2 and 3 had been placed in terminated status, consistent with the Commission's policy statement on deferred and terminated plants.<sup>2</sup> In a letter dated December 27, 2017,<sup>3</sup> SCE&G provided its request for withdrawal of the combined licenses (COLs) for VCSNS Units 2 and 3. That letter confirmed that the former construction site did not constitute a utilization facility, as defined in NRC regulations, and that all preservation activities had ceased. The letter was clear that "[n]o further NRC-regulated activities are being performed or planned at VCSNS Units 2 and 3." That letter also stated that SCE&G would support a license transfer request to grant the South Carolina Public Service Authority (Santee Cooper) full ownership of the COLs, if Santee Cooper elected to pursue SCE&G's offer before the NRC's approval of the withdrawal request.

Santee Cooper responded to SCE&G's request for withdrawal of the COLs for VCSNS Units 2 and 3 in its letter dated January 8, 2018.<sup>4</sup> Santee Cooper requested that the NRC not take action on SCE&G's COL withdrawal request for 180 days, or for such time as might be necessary for Santee Cooper to evaluate whether to seek transfer of the COLs for VCSNS Units 2 and 3. Santee Cooper also raised questions about the appropriate regulation for COL withdrawal and the rights of co-licensees in a withdrawal action. On April 18, 2018, I sent you a letter<sup>5</sup> acknowledging SCE&G's official request for the NRC's approval to withdraw the COLs for VCSNS Units 2 and 3, as well as Santee Cooper's request that the NRC delay action on the withdrawal request.

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<sup>1</sup> NND-17-0464, Letter from Jeffrey B. Archie, SCE&G, to the NRC, "South Carolina Electric & Gas Company (SCE&G), VCSNS Units 2&3 Notification of Termination of Project Construction," dated August 17, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17229B487).

<sup>2</sup> Volume 52 of the *Federal Register* (FR), page 38077 (52 FR 38077), "Commission Policy Statement on Deferred Plants," published October 14, 1987.

<sup>3</sup> NND-17-0503, Letter from Jeffrey B. Archie, SCE&G, to the NRC, "South Carolina Electric & Gas Company (SCE&G) Request for Withdrawal of VCSNS Unit 2&3 COLs," dated December 27, 2017 (ADAMS Accession No. ML17361A088).

<sup>4</sup> Letter from Michael R. Crosby, Santee Cooper, to the NRC, "Response to South Carolina Electric & Gas Company (SCE&G) Request for Withdrawal of VCSNS Unit 2&3 COLs," dated January 8, 2018 (ADAMS Accession No. ML18010A068).

<sup>5</sup> Letter from Frederick D. Brown, NRC, to Michael R. Crosby, Santee Cooper, dated April 18, 2018 (ADAMS Accession No. ML18108A265).

In your letter dated June 4, 2018,<sup>6</sup> you informed the Commission of your intent to implement a maintenance, preservation, and documentation (MPD) program at VCSNS Units 2 and 3. Your letter stated that the onsite MPD program will be implemented to preserve the value of certain high-value components by maintaining and preserving them as well as any associated quality assurance records for potential future sale. Your letter also stated that the MPD program will not implement NRC-regulated construction or other related activities on the site of VCSNS Units 2 and 3 and will not affect any NRC-licensed activity at another site. Finally, your letter acknowledged that before any such components can be used in an NRC-licensed utilization facility, such components must be recertified under an NRC-approved program under Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants," to Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50, "Domestic Licensing of Production and Utilization Facilities." By letter dated June 6, 2018,<sup>7</sup> the NRC responded that it has no objection to the MPD program as described in your letter. By letter dated July 23, 2018,<sup>8</sup> you updated the NRC by stating that the Santee Cooper Board of Directors voted to continue the MPD program until December 31, 2018, and that Santee Cooper expected the Board to resolve the issue of termination of the COLs for VCSNS Units 2 and 3 at a subsequent meeting. The letter further stated that the senior Santee Cooper management will recommend that the COLs for VCSNS Units 2 and 3 be terminated.

We have received your letter dated January 29, 2019,<sup>9</sup> providing the NRC the results of the Santee Cooper Board of Directors meeting, held on January 28, 2019, on the disposition of the COLs for VCSNS Units 2 and 3. Your letter stated that the Board of Directors authorized you to consent to SCE&G's request to terminate the VCSNS COLs and that the letter was evidence of that consent. Based on this letter and the letter from SCE&G requesting withdrawal of the COLs, the NRC is informing you that it has terminated the Combined Licenses for the VCSNS Units 2 and 3 (ADAMS Accession No. ML18198A299).

If you have questions or comments, please contact the NRC's Senior Project Manager, Billy Gleaves, by phone at (301) 415-5848 or by e-mail to [bill.gleaves@nrc.gov](mailto:bill.gleaves@nrc.gov).

Sincerely,

*/RA/*

Frederick D. Brown, Director  
Office of New Reactors

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<sup>6</sup> Letter from Michael R. Crosby, Santee Cooper, to the NRC, "South Carolina Public Service Authority's Maintenance, Preservation & Documentation Program for VCSNS Units 2 & 3," dated June 4, 2018 (ADAMS Accession No. ML18158A155).

<sup>7</sup> Letter from Frederick D. Brown, NRC, to Michael R. Crosby, Santee Cooper, dated June 6, 2018 (ADAMS Accession No. ML18156A316).

<sup>8</sup> Letter from Michael Crosby, Santee Cooper, to the NRC, "Status Report on South Carolina Public Service Authority's Position on the Termination of the COL for VCSNS Units 2 & 3," dated July 23, 2018 (ADAMS Accession No. ML18206A230).

<sup>9</sup> Letter from James E. Brogdon, Jr., Santee Cooper, to the NRC, "Status Report on South Carolina Public Service Authority's Position on the Termination of the COL for VCSNS Units 2 & 3," dated January 29, 2019 (ADAMS Accession No. ML19038A225).

SUBJECT: LETTER TO SANTEE COOPER REGARDING TERMINATION OF THE COMBINED LICENSES FOR VCSNS UNITS 2 AND 3, DATED: MARCH 7, 2019

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**ADAMS Accession No.: ML18199A317**

**\*via email**

**NRO-008**

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