



August 1, 2011

**VIA ELECTRONIC FILING**

Jocelyn Boyd, Chief Clerk / Administrator  
Public Service Commission of South Carolina  
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**Re: Duke Energy Carolinas Amended Project Development Application  
Docket No. 2011-20-E**

Dear Ms. Boyd:

Enclosed for filing in the above-referenced docket please find the following reports of Duke Energy Carolinas, LLC:

- Status Report Regarding Nuclear Financing Cost Recovery Legislation pursuant to Section II, Paragraph 3, of the Settlement Agreement; and
- Report of Lee Nuclear Station Activities and Expenditures pursuant to Section II, Paragraph 4, of the Settlement Agreement.

By copy of this letter we are serving the same on all parties of record. Should you have any questions, please contact us.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.

Bonnie D. Shealy

/bds

Enclosures

cc/enc: Nanette Edwards, Esquire (via email & U.S. Mail)  
Courtney Edwards, Esquire (via email & U.S. Mail)  
Bob Guild, Esquire (via email & U.S. Mail)  
Scott Elliott, Esquire (via email & U.S. Mail)  
Mr. Tom Clements (via email & U.S. Mail)  
Timika Shafeek-Horton, Associate General Counsel (via email)  
Alex Castle, Senior Counsel (via email)



Duke Energy Carolinas, LLC (“Duke Energy Carolinas” or “the Company”) submits this Status Report regarding Nuclear Financing Cost Recovery Legislation in North Carolina pursuant to Section II, Paragraph 3, of the Settlement Agreement approved by the Commission in Order No. 2011-454.

The North Carolina General Assembly was in session from July 13, 2011 to July 29, 2011, to address electoral redistricting matters and legislation vetoed by Governor Perdue. During this time, no bills were considered by either chamber of the North Carolina General Assembly addressing cost recovery of the financing costs related to the construction of nuclear generating facilities. The North Carolina General Assembly will reconvene on September 12, 2011 to address constitutional amendments.

Dated this 1<sup>st</sup> day of August, 2011.

Timika Shafeek-Horton  
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and



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Attorneys for Duke Energy Carolinas, LLC

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

**In Re:** )  
 )  
**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  
January 1, 2011 through June 30, 2011**

Duke Energy Carolinas, LLC (“Duke” or “the Company”) submits this Report of Lee Nuclear Station Activities and Expenditures for January 1, 2011, through June 30, 2011, pursuant to Section II, Paragraph 4, of the Settlement Agreement approved by the Commission in Order No. 2011-454.

	Previous	This Period	Total
Task Description	thru 12/31/2010*	01/01/2011 - 06/30/2011	Project Totals to Date
<i>COLA Preparation</i>	\$27,426,317	\$0	\$27,426,317
<i>NRC Review &amp; Hearing Fees</i>	\$53,694,143	\$6,765,239	\$60,459,382
<i>Land and Right-of-way Purchases</i>	\$43,065,872	\$33,085	\$43,098,957
<i>Pre-construction and Site Preparation</i>	\$21,504,429	\$2,438,649	\$23,943,078
<i>Supply Chain, Construction Planning, and Detailed Engineering</i>	\$22,229,847	\$2,948,151	\$25,177,998
<i>Operational Planning</i>	\$1,551,606	\$312,101	\$1,863,707
<i>AFUDC</i>	\$38,969,041	\$8,779,507	\$47,748,548
<b>Total</b>	<b>\$208,441,255</b>	<b>\$21,276,732</b>	<b>\$229,717,987</b>

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 December 13, 2007. The NRC determined the application was suitable for review and docketed the application on February 25, 2008.

**NRC Review and Hearing Fees** – includes the cost of the NRC review fees, and Duke labor and expenses, contract labor and legal support required to support the NRC review. Also included are Duke labor, expenses, and contract costs associated with the preparation and application for environmental permits in support of COL application.

**Site Evaluation** –includes the evaluation performed to select the former Cherokee site in Gaffney, SC for the proposed Lee Nuclear Station.

**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 and costs for surveying the selected transmission rights-of-way.

**Pre-construction and Site Preparation** – includes site activities to prepare the site for construction. Initial site preparation activities included: dewatering and cleanup of the excavated area; site remediation activities required to identify and properly dispose of hazardous wastes and other costs associated with the demolition and removal of unusable structures, site security, utilities and minor miscellaneous site maintenance. Continuing activities include engineering for bringing water, sewer and railroads to the site, as well as planning and engineering of necessary traffic improvements.

**Supply Chain, Construction Planning and Engineering** – includes activities associated with working with the supplier to negotiate an Engineering, Procurement and Construction agreement. Also included were conceptual site specific engineering and construction planning activities necessary to develop a complete project definition. 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.

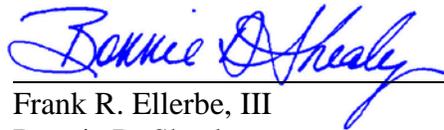
**Operational Planning** –includes activities associated with operator and plant staff training and procedure development.

With work complete and its overall small cost impact, the “*Site Evaluation*” task has been incorporated into the “*Land and Right of Way*” task.

Dated this 1<sup>st</sup> day of August, 2011.

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