



November 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 Duke Energy Carolinas, LLC's Report of Lee Nuclear Station Activities and Expenditures pursuant to Section II, Paragraph 4, of the Settlement Agreement. The Company also notifies the Commission pursuant to Section II, Paragraph 3, of the Settlement Agreement that the North Carolina General Assembly was not in session in October. As a result, there is no change in the status of Nuclear Financing Cost Recovery Legislation. 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: Shannon Hudson, 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)

**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
July 1, 2011 through September 30, 2011**

Duke Energy Carolinas, LLC (“Duke” or “the Company”) submits this Report of Lee Nuclear Station Activities and Expenditures for July 1, 2011, through September 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	01/01/11-6/30/2011	07/01/2011-09/30/2011	Project Totals to Date
COLA Preparation	\$0	\$0	\$27,426,595
COLA Review ⁽¹⁾	\$6,765,239	\$4,275,989	\$64,735,093
Land and Right-of-way Purchases	\$33,085	(\$5,409) ⁽²⁾	\$43,093,548
Pre-construction and Site Preparation	\$2,438,649	\$2,871,021	\$26,814,099
Supply Chain, Construction Planning, and Detailed Engineering	\$2,948,151	\$2,101,659	\$27,279,657
Operational Planning	\$312,101	\$311,521	\$2,175,228
AFUDC	\$8,779,507	\$4,774,794	\$52,523,342
Total	\$21,276,732	\$14,329,575	\$244,047,562

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.

COLA Review –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. Also included are Duke labor and expenses, and contract costs associated with the preparation and submittal of the National Pollutant Discharge Elimination System (NPDES) permit application in support of COL application.

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. 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 costs associated with the demolition and removal of unusable above ground structures. Continuing activities include: site security, utilities and miscellaneous site maintenance. Also included are engineering for bringing water, sewer, railroads and communications 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. Negotiations in 2008 did not result in an executed contract. Currently, EPC negotiations are expected to restart in 2012 in support of planned 2021 commercial operation date. Also included were conceptual site specific engineering and construction planning activities necessary to develop a complete project definition. Continuing detailed site specific engineering activities are underway to facilitate an effective start to site construction activities planned for the 2014 timeframe. Similarly, continuing construction planning activities further develop construction plans and keep the construction plans in line with latest engineering.

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. Continuing activities include: supporting operations program development 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.

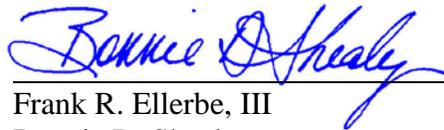
(1) This category was previously named *NRC Review and Hearing Fees* and has been renamed to *COLA Review* to better align with internal cost reports.

(2) *Land and Right of Way Purchases* costs are shown as negative due to minor internal accounting adjustments. The total AFUDC and the project total costs are not affected by the adjustments.

Dated this 1st day of November, 2011.

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and



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