



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

June 6, 2018

Mr. Michael R. Crosby, Senior Vice President  
Nuclear Energy  
Santee Cooper  
One Riverwood Drive  
Moncks Corner, SC 29461-2901

Dear Mr. Crosby:

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 VCSNS Units 2 and 3 combined licenses (COLs). 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 Santee Cooper full ownership of the COLs, if Santee Cooper elected to pursue SCE&G's offer prior to NRC approval of the withdrawal request.

Santee Cooper responded to SCE&G's request for withdrawal of the VCSNS Units 2 and 3 COLs in its January 8, 2018 letter<sup>4</sup>. Santee Cooper requested that NRC not take action on SCE&G's COL withdrawal request for 180 days, or such time as might be necessary for Santee Cooper to evaluate whether to seek transfer of the VCSNS Units 2 and 3 COLs. Santee Cooper also raised questions regarding 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> regarding SCE&G's request to withdraw VCSNS Units 2 and 3 COLs.

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 states that the on-site MPD program will be implemented to preserve the value of certain high-value components by maintaining and preserving them as well as any associated QA records for potential future sale. Your letter also states that the MPD program will not

---

<sup>1</sup> NND-17-0464, Letter from Jeffrey B. Archie to NRC, SCE&G, VCSNS Units 2 and 3 Notification of Termination of Project Construction, dated August 17, 2017 (ADAMS Accession No. ML17229B487).

<sup>2</sup> 52 FR 38077, Commission Policy Statement on Deferred Plants, published October 14, 1987.

<sup>3</sup> NND-17-0503, Letter from Jeffrey B. Archie to NRC, SCE&G's Request for Withdrawal of VCSNS Units 2 and 3 COLs, dated December 27, 2017 (ADAMS Accession No. ML17361A088).

<sup>4</sup> Letter from Michael R. Crosby to NRC, Response to SCE&G Request for Withdrawal of VCSNS Units 2 and 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).

<sup>6</sup> Letter from Michael R. Crosby to NRC, South Carolina Public Service Authority's Maintenance, Preservation, & Documentation Program for VCSNS Units 2 & 3, dated June 4, 2018.

implement NRC-regulated construction or other related activities on the VCSNS Units 2 and 3 site and will not affect any NRC-licensed activity at another site. Finally, your letter acknowledges that before any such components can be used in an NRC-licensed utilization facility, such components must be recertified under an NRC-approved 10 CFR Part 50, Appendix B program. The NRC has no objection to the MPD program as described in your letter.

Sincerely,

***/RA Vonna Ordaz for/***

Frederick D. Brown, Director  
Office of New Reactors

SUBJECT: RESPONSE TO SANTEE COOPER LETTER OF JUNE 4, 2018 REGARDING  
 MAINTENANCE, PRESERVATION, & DOCUMENTATION FOR VCSNS UNITS 2 & 3  
 DATED: JUNE 6, 2018

**DISTRIBUTION:**

Public  
 RidsNroOd  
 RidsOgcMailCenter  
 RidsRgn2MailCenter  
 RTaylor, NRO  
 ABradford, NRO  
 BGleaves, NRO  
 JDixon-Herrity, NRO  
 ACampbell, NRO  
 KKavanagh, NRO

**ADAMS Accession No.: ML18156A316 \*via email NRO-008**

OFFICE	NRO/DLSE/LB4	NRO/DLSE/LB4	NRO/DLSE/LB4:LA
NAME	WGleaves*	JDixon-Herrity*	RButler*
DATE	06/05/2018	06/05/2018	06/05/2018
OFFICE	RGNII	NRO/DLSE	NRO/DCIP/QVIB2
NAME	Chaney*	ACampbell*	KKavanagh*
DATE	06/05/2018	06/05/2018	06/05/2018
OFFICE	NRO/D	OGC	
NAME	VOrdaz	MSpencer* NLO	
DATE	06/6/2018	06/05/2018	