

Vogle PEmails

From: Gleaves, Bill
Sent: Thursday, June 7, 2018 7:13 AM
To: Vogle PEmails
Subject: FW: Santee Cooper Letter
Attachments: Santee Cooper letter to NRC - 2018 06 04.pdf

Importance: High

For entry into ADAMS.

From: Ordaz, Vonna
Sent: Monday, June 04, 2018 1:59 PM
To: Gleaves, Bill <Bill.Gleaves@nrc.gov>; Dixon-Herrity, Jennifer <Jennifer.Dixon-Herrity@nrc.gov>
Subject: FW: Santee Cooper Letter
Importance: High

I meant to include you on this.

From: Ordaz, Vonna
Sent: Monday, June 04, 2018 1:03 PM
To: Campbell, Andy <Andy.Campbell@nrc.gov>; Taylor, Robert <Robert.Taylor@nrc.gov>
Subject: FW: Santee Cooper Letter

This just in. I'd like to see our response letter tomorrow. Keep it short.

Thanks,
Vonna

From: Crosby, Michael [<mailto:michael.crosby@santeecooper.com>]
Sent: Monday, June 04, 2018 12:28 PM
To: Ordaz, Vonna <Vonna.Ordaz@nrc.gov>
Cc: ARCHIE, JEFFREY B <JARCHIE@scana.com>; Baxley, Mike <mike.baxley@santeecooper.com>; Pelcher, Steve <stephen.pelcher@santeecooper.com>; Richard Lorenzo <rlorenzo@loeb.com>
Subject: [External_Sender] Santee Cooper Letter

Ms. Ordaz,

Thank you for coordinating the NRC group and for taking the call this morning.

Attached is the letter we discussed.

If you have any questions or require any additional follow-up please do not hesitate to give me a call or email.

Again, thank you for your time and I look forward to receiving the NRC official response.

Michael R. Crosby
SVP, Nuclear Energy

Santee Cooper
(843) 761 – 7081
mrcrosby@santecooper.com

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Hearing Identifier: Vogtle_COL_Docs_Public
Email Number: 296

Mail Envelope Properties (CY1PR09MB090882D946B39DCF3B0D6B179F640)

Subject: FW: Santee Cooper Letter
Sent Date: 6/7/2018 7:12:31 AM
Received Date: 6/7/2018 7:12:37 AM
From: Gleaves, Bill

Created By: Bill.Gleaves@nrc.gov

Recipients:
"Vogtle PEmails" <Vogtle.PEmails@nrc.gov>
Tracking Status: None

Post Office: CY1PR09MB0908.namprd09.prod.outlook.com

Files	Size	Date & Time
MESSAGE	2273	6/7/2018 7:12:37 AM
Santee Cooper letter to NRC - 2018 06 04.pdf		1219312

Options
Priority: High
Return Notification: No
Reply Requested: No
Sensitivity: Normal
Expiration Date:
Recipients Received:

Michael R. Crosby

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June 4, 2018

Mr. Frederick D. Brown
Director Office of New Reactors
ATTN: Document Control Desk
U.S. Nuclear Regulatory Commission
Document Control Desk
Washington, D.C. 20555

Dear Mr. Brown,

Virgil C. Summer Nuclear Station (VCSNS) Units 2 & 3
Combined License (COL) Nos. NPF-93 and NPF-94
Docket Nos. 52-027 & 52-028

Subject: South Carolina Public Service Authority's Maintenance, Preservation &
Documentation Program for VCSNS Units 2 & 3

- References:
1. Letter from Jeffrey B. Archie to NRC, V.C. Summer, Units 2 and 3 – Notification of Termination of Project Construction, dated August 17, 2017 (ML17229B487)
 2. Letter from Jeffrey B. Archie to NRC, V.C. Summer Units 2 and 3 – SCE&G Request for Withdrawal of VCSNS Unit 2 & 3 COLs, dated December 27, 2017 (ML17361A088)
 3. Letter from Michael R. Crosby to NRC, Response to South Carolina Electric & Gas Company (SCE&G) Request for Withdrawal of VCSNS Unit 2 & 3 COLs, dated January 8, 2018 (ML 18010A068)
 4. Letter to Michael R. Crosby, Santee Cooper, from Frederick D. Brown, NRO, re: SCE&G and Santee Cooper Acknowledgement of V.C. Summer Termination Letter, dated April 18, 2018 (ML 18108A265)
 5. Letter to Jeffrey B. Archie, SCE&G, from Frederick D. Brown, NRO, re: SCE&G and Santee Cooper Acknowledgement of V.C. Summer Termination Letter, dated April 18, 2018 (ML18107A081)

The purpose of this letter is to notify the NRC that the South Carolina Public Service Authority (the Authority), as the co-owner and co-licensee of VCSNS Units 2 & 3 with SCE&G, intends to implement immediately a maintenance, preservation & documentation (MPD) program to preserve the value of certain high value components of the Units (*e.g.*, reactor coolant pumps, steam generators, pressurizers, reactor vessels and integrated head packages) for potential future re-sale.

On July 31, 2017, the Authority's Board and the SCE&G Board resolved to cease construction of the in-progress VCSNS Units 2 & 3. As of that date, SCE&G stopped construction and related activities on the VCSNS Units 2 & 3, including all quality assurance (QA) activities as well as maintenance and environmental controls of installed and warehoused equipment.

On August 17, 2017, SCE&G formally notified the NRC that it had stopped construction activities on the VCSNS Units 2 & 3 site and placed the two units in a terminated status. On December 27, 2017, SCE&G requested NRC approval to withdraw the COLs for VCSNS Units 2 & 3. This request included a redress plan that called for equipment on the site to be abandoned in place, with periodic site inspections to ensure that none of the equipment or materials caused environmental, health, or safety problems.

On January 8, 2018, the Authority wrote in response to SCE&G's Request for Withdrawal of VCSNS Unit 2 & 3 COLs, objecting to the request on the grounds that, pursuant to the NRC's regulations, all reactor licensees must submit an application for termination of the license, and further, that the Authority did not consent to the termination of the Unit 2 & 3 COLs at that time. The Authority requested that the NRC hold SCE&G's request in abeyance while the Authority determined whether the transfer of SCE&G's interest in the Unit 2 & 3 COLs to itself was in the best interest of its customers.

On April 18, 2018, Frederick Brown, Acting Director of the Office of New Reactors at the NRC wrote to both SCE&G and the Authority acknowledging SCE&G's request for NRC's approval for withdrawal of the COLs for VCSNS Units 2 & 3, as well as the Authority's request that NRC delay action on the withdrawal request. He expressed the intent to complete review of SCE&G's withdrawal request in a timely manner, with an estimated completion date of August 31, 2018. He further noted that QA activities on the site would be "unnecessary" for a terminated plant where the licensee does not ever intend to restart construction or sell the plant or its parts, but that if a licensee were to consider either reactivation or transfer of the plant or its parts, it should consider actions such as a QA program associated with maintaining documentation attesting to the quality of the plant's structures, systems or components (SSCs) important to safety, and developing and implementing a program to preserve and maintain those SSCs.

Frederick D. Brown
Director Office of New Reactors
U.S. Nuclear Regulatory Commission
June 4, 2018
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The Authority's opinion is that its customers will benefit from cost recovery through the resale of certain VCSNS Units 2 & 3 high valued components. Without an MPD program to maintain and preserve these components, however, they will lose value to the detriment of the Authority's customers. Therefore, the Authority intends to implement an on-site MPD program in order to preserve the value of such components by maintaining and preserving them as well as any associated QA records for potential future sale. This program is intended to preserve and maintain the selected components and associated QA records in a manner consistent with a supplier 10 C.F.R. 50 Appendix B QA program. The MPD program, however, will neither implement NRC-regulated construction or other activities on the VCSNS Unit 2 & 3 site, nor will it affect any NRC-licensed activity at another site.

With this letter, the Authority notifies the Commission that it intends to implement immediately an MPD program for the purpose of maintaining high-value equipment on the VCSNS Unit 2 & 3 site for future re-sale. The Authority recognizes that before any such equipment can be used in an NRC licensed utilization facility, such components must be recertified under an NRC approved 10 C.F.R. 50 Appendix B QA program.

We would welcome guidance from the Commission Staff regarding the Authority's MPD program. If you have any questions regarding this notice, please contact me at (843) 761-7081 or via e-mail at michael.crosby@santeecooper.com

Sincerely,



Michael R. Crosby
Senior Vice President, Nuclear Energy

CC: James E. Brogdon
J. Michael Baxley
Stephen R. Pelcher
Elizabeth H. Warner
Wm. Marion Cherry
Jason W. Williams
Richard M. Lorenzo
Jimmy E. Addison, President & CEO SCANA
Jim O. Stuckey, Esquire, General Counsel SCANA
Jeffrey B. Archie, SVP & CNO SCE&G