

LAW OFFICES
CONNER & MOORE

1747 PENNSYLVANIA AVENUE N. W.
WASHINGTON, D. C. 20006

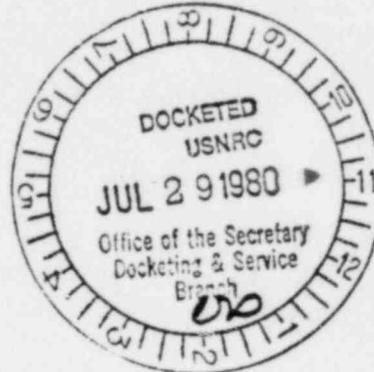
TROY B. CONNER, JR.
ARCH A. MOORE, JR.*
MARK J. WETTERHAHN
ROBERT M. RADER
*NOT ADMITTED IN D. C.

July 28, 1980

(202) 833-3500

CABLE ADDRESS: ATOMLAW

Fredric D. Chanania, Esq.
Counsel for the Nuclear Regulatory
Commission Staff
Office of the Executive Legal
Director
U. S. Nuclear Regulatory
Commission
Washington, D.C. 20555



In the Matter of
South Carolina Electric & Gas Company
(Virgil C. Summer Nuclear Station)
Docket No. 50-395A

Dear Mr. Chanania

This will respond to your letter of July 8, 1980 to George H. Fischer, Esq., South Carolina Electric & Gas Company ("SCE&G"), requesting certain information in order to assist the Staff in making its response to the Memorandum and Order dated June 30, 1980 in this proceeding.

Following the formal advice from the Attorney General to the NRC on March 31, 1972 and the issuance of the construction permit for the Summer facility, SCE&G did not have any discussions with Central regarding joint ownership of (or other means of access to) generation and transmission facilities with Central until 1977 when Central was granted leave to intervene in the Saluda Hydroelectric proceeding before the Federal Power Commission, Project 516, a case entirely unrelated to the Summer proceeding. Thereafter, as shown from the attached correspondence, SCE&G and Central discussed joint ownership and wheeling to some extent over the next three years. However, no offer resulted from these discussions.

DSO3

3
1/1

ADD:

ltz Eric

J. Rutberg 1 1

J. Saltzman 1 1

8007810 424

1. As to events since January 1979, Central and SCE&G have discussed these matters in person only twice, on May 1, 1979 and in early 1980. However, as indicated from the attached correspondence dated May 4, May 15, June 12 and June 19, 1979, between Central and SCE&G, Central states that joint ownership in a fossil-fuel plant, to be operational in the mid-1980's, is not a proper solution to the isolated load now served by SCE&G on its Berkely Electric Cooperative system. Instead, it has requested that SCE&G consider a wheeling arrangement for power Central would obtain from Santee Cooper and furnish to Berkeley Electric (a constituent of Central). This point was most recently discussed between SCE&G and Central, but only briefly, at a meeting in early 1980. There has been no other meeting between SCE&G and Central on these points. */ Wheeling for Berkeley Cooperative has been the only specific transmission service discussed by Central. Prior to 1977, Central had made no request to SCE&G that it wheel power to any of Central's constituents.

2. There has been no request by Central to SCE&G for access to the Virgil C. Summer Nuclear Station.

3. There has been no discussion concerning the possibility of a merger between SCE&G and Central.

With regard to your question as to any changes in our 1980-1990 projections for annual peak loads, generation and transmission plans, and other power supply sources, there have been the following changes.

SCE&G has determined that it will retain rather than retire 131 MWe of oil units previously scheduled for retirement in 1980 (see Table 7.3, Draft Environmental Statement

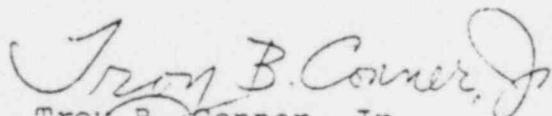
*/ Central attended a settlement negotiation session between North Carolina Electric Membership Corporation and SCE&G on January 28, 1980, which pertained to an unrelated judicial proceeding entitled North Carolina Electric Membership Corporation, et al. v. Carolina Power & Light Co., et al., No. C-77-396-G (M.D.N.C.). Counsel for plaintiffs is also counsel for Central in the present proceeding. However, neither Central nor any of its constituents is a party to that action. SCE&G took the position that Central's contentions in the NRC case should not be discussed at a meeting concerning issues in the NCEMC Federal court case.

(operating license stage), Virgil C. Summer Nuclear Station, NUREG-0534, June 1979). This unit will continue to be used for peak power. Further, SCE&G now plans to construct a 100 MWe and a 200 MWe oil unit to be operational in 1985 and 1986, respectively, also for peak power use. Finally, the new 500 MWe coal unit scheduled for operation in 1985 (see Table 7.3, DES) is now scheduled for operation in 1987. The above plan for installation of generating capacity is subject to change as may be determined from revised forecasts.

There have been no changes in SCE&G's competitive relationship with Central and Santee Cooper since December 1978. Only one development has occurred at all, but with no competitive significance. On September 4, 1973, SCE&G signed a wholesale electric power supply agreement with Berkeley Electric Cooperative. On February 6, 1979, SCE&G consented to an assignment of its agreement with Berkeley to Central. The assignment was approved by the REA Administrator on July 12, 1979, and will shortly be filed with FERC. Since SCE&G will supply Central with the bulk power for transmission to Berkeley, the assignment will only change the mode of billing to Berkeley and will not affect the competitive position of SCE&G and Central.

We shortly will forward a copy of the Annual Report as requested under separate cover.

Sincerely,


Troy B. Conner, Jr.
Counsel for Applicant

Enclosures

cc: Per Service List

Central Electric Power Cooperative, Inc.

P. O. Box 1455/121 Greystone Boulevard/Columbia, S. C. 29202/(803) 779-4975

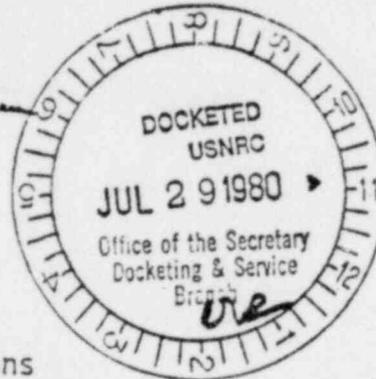
SYN. CO-OP.
MASTER FILE

ROUTE TO:

FILE # _____

DOCKET NUMBER **50-395A**
PROD. & UTIL. FAC.

June 19, 1979



Mr. T. C. Nichols, Jr.
Vice President and Group Executive
Power Production and System Operations
South Carolina Electric & Gas Company
Post Office Box 764
Columbia, South Carolina 29218

Dear Tom:

After reading your letter of June 12, 1979 I guess that rather than misunderstanding, the problem is probably communication on my part.

With regard to joint ownership in future plants, we said that we did not feel that joint ownership in a mid-1980 plant was a proper solution to the isolated load now served by SCE&G on the Berkeley Electric Cooperative system. We indicated a desire to intergrate this load into the larger Central load and asked that you consider accomplishing this through a wheeling arrangement.

We indicated that Central would be receptive to any proposal to joint ownership in a future plant of SCE&G and we suggested that you consider some capacity larger than proposed for the Berkeley Electric Cooperative isolated load. Central is currently reviewing its power supply options after 1987 and in this regard, we are currently working with Santee Cooper as well as talking to Carolina Power & Light and you.

I apologize if we have caused you any confusion and we will appreciate your consideration in these matters.

Very truly yours,

P. T. Allen
Executive Vice President
and General Manager

cc: Mr. G. H. Fischer
Mr. C. Pinckney Roberts

Robert W. Williams, Jr.
President
Orangeburg, S. C.

John C. Anderson
Vice-President
Sumter, S. C.

Robert B. Awbrey
Secretary-Treasurer
Bennettsville, S. C.

P. T. Allen
Executive Vice President
and General Manager

SOUTH CAROLINA ELECTRIC & GAS COMPANY

POST OFFICE BOX 764

COLUMBIA, SOUTH CAROLINA 29218

T. C. NICHOLS, JR.
VICE PRESIDENT AND GROUP EXECUTIVE
POWER PRODUCTION AND SYSTEM OPERATIONS

June 12, 1979

Central Electric Power Cooperative, Inc.
Post Office Box 1455
121 Greystone Boulevard
Columbia, South Carolina 29202

Attention: Mr. P. T. Allen
Executive Vice President
and General Manager

Dear Pat:

Your letter of May 15, 1979 indicated a possible misunderstanding concerning the discussions at our May 1 meeting.

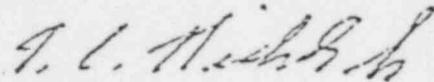
We discussed a specific proposal at this meeting relating to an SCE&G fossil-fired plant in the mid-1980's. You stated that CEPCO had no present interest in joint ownership of that plant.

A specific wheeling-type arrangement relating to Johns Island was also discussed and we informed you that this request would be considered. I am not aware of any other specific requests made at this meeting by CEPCO to SCE&G.

Pat, if you feel that you made some other special request that we should be considering other than that mentioned in my letter, please let me know.

Again, it was a pleasure for George and I to meet with you and Pinckney to discuss this important matter.

Sincerely,



T. C. Nichols, Jr.

TCN:bwm

cc - Mr. G. H. Fischer

Central Electric Power Cooperative, Inc.

P. O. Box 1455/121 Greystone Boulevard/Columbia, S. C. 29202/(803) 779-4975

2471
S/S OPER.
MASTER FILE

TO:
FILE #

May 15, 1979

Mr. Tom Nichols
S. C. Electric & Gas Company
Post Office Box 764
Columbia, South Carolina 29218

Dear Tom:

After reading your letter of May 4, 1979, I realize that there may be some misunderstanding.

You have correctly stated Central's position with regard to the isolated small load now served by SCE&G on the Berkeley Electric system. We feel that this isolated load must be eventually integrated into the Central total load for best economics and that to purchase capacity without future ability to integrate that capacity would be to perpetuate the problem. We are however very much interested in joint ownership, and other utility relationships with regard to the total Central system. Central is currently striving to provide for its electrical load requirements after the year 1987 and to this end wishes to continue requests for joint ownership, wheeling, reserve sharing, etc., whereby Central can provide for its member needs. As you know we must act now to provide for 1987 requirements.

We urge that you consider the Berkeley isolated load on a special or interim basis and that you give real consideration to the broader power supply problems.

Very truly yours,

P. T. Allen
Executive Vice President
and General Manager

sbd

Robert W. Williams, Jr.
President
Durlington, S. C.

John C. Anderson
Vice-President
Sumter, S. C.

Robert B. Awbrey
Secretary-Treasurer
Bennettsville, S. C.

P. T. Allen
Executive Vice President
and General Manager

SOUTH CAROLINA ELECTRIC & GAS COMPANY

POST OFFICE BOX 784

COLUMBIA, SOUTH CAROLINA 29218

T. C. NICHOLS, JR.
VICE PRESIDENT AND GROUP EXECUTIVE
POWER PRODUCTION AND SYSTEM OPERATIONS

May 4, 1979

Central Electric Power Cooperative, Inc.
Post Office Box 1455
121 Greystone Boulevard
Columbia, South Carolina 29202

Attention: Mr. P. T. Allen
Executive Vice President
and General Manager

Dear Pat:

George Fischer and I enjoyed meeting with you and Pinckney Roberts on May 1, 1979 to discuss CEPCO's response to the document presented to you on January 5, 1979.

You stated that presently CEPCO did not consider joint ownership in an SCE&G fossil-fired plant in the mid 1980's to be economically advantageous.

This decision was based largely on the relatively small percentage of generation that would be required to serve CEPCO's load located on our system and other arrangements that CEPCO was pursuing at this time to provide a future power source for its customers. You indicated that CEPCO's action on this matter, at the present time, did not preclude the possibility of a renewed interest in such a relationship sometime in the future.

It was requested at the meeting that the Company consider a wheeling-type arrangement to supply Berkeley Electric Cooperative located on Johns Island commencing around September, 1983 when the contract with us expires.

Your request concerning this important matter is being reviewed.

Sincerely,

T. C. Nichols, Jr.
T. C. Nichols, Jr.

TCN:bwm

cc - Mr. George H. Fischer

bcc: Mr. G. C. Meetze