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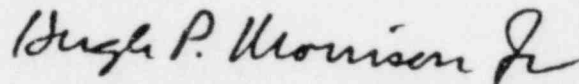
July 28, 1980

Re: Virgil C. Summer Nuclear Station
Unit No. 1, Docket No. 50-395A.

Dear Mr. Chanania:

Submitted herewith on behalf of the South Carolina Public Service Authority is the information requested by your letter of July 8, 1980. If you have questions or require further information please call me at 862-8980.

Sincerely,



Hugh P. Morrison, Jr.

Fredric D. Chanania, Esq.
Counsel for NRC Staff
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

cc: Antitrust Division,
Department of Justice
All parties

[Enclosures]

William C. Mescher
President and
Chief Executive Officer

July 23, 1980

Mr. Frederic D. Chanania
Counsel for NRC Staff
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Chanania:

This is in response to your letter of July 8, 1980, requesting certain information for the use of the Commission Staff.

1. Since January 1979, has Santee Cooper (South Carolina Public Service Authority) discussed joint ownership of (or other means of access to) generation and transmission facilities with Central Electric Power Cooperative (Central)? If so, provide the dates of such discussions, the results of those discussions, and future plans to continue and conclude such discussions.
1. Yes. The Authority and Central have on a continuing basis since January 1979 discussed joint ownership of generation facilities and access to transmission facilities with Central. These discussions have culminated in a series of agreements between the Authority and Central, copies of which are attached. These agreements, which will eventually supplant virtually all existing contractual agreements between the Authority and Central, have been approved by the Board of Directors of both organizations and have been submitted to the REA for approval. Photo copies of such approvals are enclosed. One such agreement, an interim amendment to the "F" Power Contract between the parties, has received REA approval and has been in effect since July 1, 1980; the remaining agreements remain under consideration by the REA.

Although the agreements are self-explanatory, an overview together with a brief summary of the more significant provisions might be helpful.

Most simplistically, the new agreements provide Central with the opportunity to obtain an ownership interest in future generation facilities constructed by the Authority and to join with the Authority in the coordination and planning of future generating and transmission facilities. The Authority has granted Central an option to purchase an

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undivided interest of up to 45 percent in each future generating facility to be constructed by the Authority, and Central has granted the Authority an option to purchase an undivided interest of up to 45 percent in each future generating unit constructed by Central. In addition, Central may construct or acquire generating facilities in addition to those planned jointly by the Authority and Central, and such facilities may, with proper safeguards and where feasible, be connected to the combined Authority-Central system.

With respect to the Authority's Cross Generating Station, which is presently under construction, and which will ultimately consist of four units, the Authority has agreed to grant Central an undivided 45 percent interest (not merely an option) in the entire facility.

With respect to the Summer Nuclear Generating Station, also under construction, the Authority has agreed to grant Central an option to purchase a 33-1/3 percent interest of the Authority's share of that facility. (The Authority holds a 33-1/3 percent interest in the Summer Station; South Carolina Electric & Gas holds the remaining interest.) If the option to purchase an interest in Summer is exercised by Central, the parties have agreed that the Generating Station Ownership and Operating Agreement between the Authority and Central will be substantially the same as the Cross Generating Station Agreement, a copy of which is attached hereto.

The agreements further provided that the Authority is committed to supply Central's power requirements and at rates determined on a cost of service basis (to the extent that Central's load is provided by the Authority rather than by Central through its ownership interest in future generating units). While the Authority is committed to fulfill Central's power requirements, it has also agreed, where power cannot be obtained by the Authority, to wheel power obtained by Central from outside sources.

The foregoing agreements were approved after the Constitution of the State of South Carolina was amended to authorize the Authority to become a part owner with electric cooperatives in electric generation and transmission (Article X, Section 11). The South Carolina Legislature also enacted legislation granting to the Authority the power to become a joint owner with Central in generation and transmission facilities and the power to "make plans and enter into such contracts as are necessary or convenient for the planning, financing, acquisition, construction, ownership, operation and maintenance of such plants and facilities ... " (Section 58-31-210). Copies of the foregoing are also attached.

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2. What is the status of discussions with Central for access to the Virgil C. Summer Nuclear Station, Unit 1 facility? If discussions are continuing, please provide information as to which personnel are involved, as to whether unit power or unit ownership is being discussed, and as to whether associated coordination service provisions are being offered by South Carolina Electric and Gas Company (SCE&G) or Santee Cooper.
2. Discussions with Central regarding access by Central to the Virgil C. Summer Nuclear Station have culminated in an agreement which has been approved by the Board of Directors of the Authority and the Board of Trustees of Central. (See Article III, p.11 of Power System Coordination Agreement). The agreement grants to Central an option to purchase one-third of the Authority's share of the Summer Nuclear Station.
3. Has Santee Cooper recently discussed the possibility of merger with Central? If so, what was the nature of these discussions.
3. No.

Aside from the attached agreements, which have been approved by both the Authority and Central but not by the REA (with the exception of the interim amendment to the "F" Power Contract, which has received REA approval and is presently in effect) there have been no changes in Santee Cooper's business or competitive relationship with Central since December 1978. There have been no changes since December 1978 in Santee Cooper's business or competitive relationship with South Carolina Electric & Gas Company.

With respect to the unnumbered questions posed in the final paragraph of your letter of July 8, 1980 concerning changes in the Authority's projections of peak loads and in generation and transmission plans, I am enclosing a tabulation of our current projections of peak loads; a tabulation of our future generating capability; a tabulation of our proposed bulk power lines; a copy of our latest Annual Report; a copy of our latest financial statement; and a copy of a preliminary official statement used in connection with a proposed bond issue.

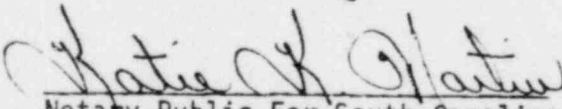
The foregoing information and attachments are true and correct to the best of my knowledge.

Sincerely;



William C. Mescher, President.
Enclosures

SWORN to before me this 23rd
day of July, 1980.



Notary Public For South Carolina
My Commission Expires: 9-12-87