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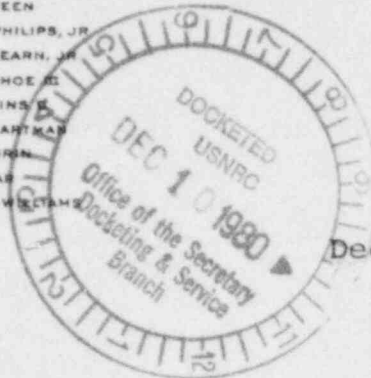
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December 5, 1980

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Washington, D.C. 20555

Dr. Frank F. Hooper
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Mr. Gustave A. Linenberger
Member, Atomic Safety and
Licensing Board Panel
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

Re: South Carolina Electric & Gas Company and
South Carolina Public Service Authority
(Virgil C. Summer Nuclear Station) Docket
No. 50-395 OL

Gentlemen:

At the November 25, 1980 prehearing conference in the captioned matter, you requested that we provide the Board with copies of the Joint Ownership Agreement and/or other formal agreements addressing the matter of allocation between the owners of technical and operational control of the project. Enclosed herewith is a copy of the Joint Ownership Agreement between South Carolina Electric & Gas Company and the South Carolina Public Service Authority, who are the co-owners and co-applicants in this proceeding. As you will see from Section 2.07 (as well as Section 3.03) of the Joint Ownership Agreement, South Carolina Electric & Gas Company has retained sole technical direction and control over the Virgil C. Summer Nuclear Project. This is of course a desirable arrangement from the standpoint of NRC licensing and regulation, in that there is no division of responsibility for decisions affecting the public health and safety nor any division in accountability

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to the NRC. What this means from the standpoint of findings to be made by the appropriate body of the NRC 1/ is that the only questions which need be inquired into with regard to the Public Service Authority are its financial qualifications (10 C.F.R. 50.33(f)) and such formal matters as the citizenship of its officers and directors (10 C.F.R. 50.33(a) - (d)).

You also inquired at the November 25, 1980 prehearing conference as to the subject matter of Amendment No. 1 to the construction permit. Enclosed herewith please find a copy of said amendment (and a related public notice) which, pursuant to a decision by the Appeal Board dated April 13, 1973, deleted condition 2.E.5 which would have required SCE&G to establish a monitoring program regarding the pasture-cow-milk pathway.

For your information, we are enclosing a copy of a request dated November 26, 1980 for a further extension of the latest date of completion as presently set forth in the construction permit. For Mr. Burse's benefit, we might note that this application is provided for information only; no action by the Board (which has been constituted to preside in the operating license proceeding) is necessary or appropriate with respect to amendments to the construction permit, which are processed by the NRC Staff (10 C.F.R. §2.717(b)).

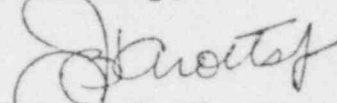
Finally, applicants stand ready, as requested, to provide management witnesses and witnesses on hydrological matters to respond to Board questions at the public hearing. If the Board has specific questions or general areas of inquiry on hydrological matters in mind beyond that already specified

1/ As we understand the intervenor's contention, he does not contend that the Public Service Authority is not financially qualified or lacks reasonable assurance of obtaining funds for decommissioning; rather this allegation seems to be directed at South Carolina Electric & Gas Company. If it is correct that the financial qualifications of the Authority are not a contested issue, then, unless the Board desires to make the matter its own issue, there will be no need for evidence, findings, or conclusions with respect to the Authority. The appropriate findings can be made by the Director of Regulation and/or the Commission in accordance with the treatment of uncontested matters in operating license proceedings (10 C.F.R. §2.760a) and current practice for the issuance of operating licenses.

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(i.e., the interaction of the Summer Project and the Fairfield pumped storage facility), we would be glad to have them at least a few weeks in advance of the hearing so that we may be sure to have the appropriate person or persons on hand. Moreover, if a written response to Board interrogatories is desired on these matters, we would be glad to provide such as well.

Sincerely,



Joseph B. Knotts, Jr.
DEBEVOISE & LIBERMAN
1200 Seventeenth Street, N.W.
Washington, D.C. 20036

Attorney for South Carolina
Electric & Gas Company

JBK/pv

cc: Service List

Enclosures:

Joint Ownership Agreement
Amendment No. 1 to Joint Ownership Agreement
Construction Permit Amendment No. 1
Letter dated November 26, 1980, Nichols to Denton

SOUTH CAROLINA ELECTRIC & GAS COMPANY
AND
SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

AMENDMENT NO. 1
(Uranium and Nuclear Fuel Ownership Agreement)

to

JOINT OWNERSHIP AGREEMENT

for

Virgil C. Summer Nuclear Station

Unit # 1

June 1, 1976

This Amendment No. 1 to the Agreement dated October 18, 1973 is entered as of the 1st day of June 1976 by and between South Carolina Electric & Gas Company ("Company") and South Carolina Public Service Authority ("Authority"), (hereinafter referred to collectively as the "Parties"):

RECITALS

The Company has entered into certain contracts for the acquisition of uranium with various suppliers and for the fabrication of nuclear fuel. Company and the Authority have determined that it is in their best interest to set forth the mutual rights and obligations of the Parties with regard to ownership of uranium and nuclear fuel.

NOW, THEREFORE, the Parties mutually agree as follows:

1. DEFINITIONS

1.01 "Agreement" means the Joint Ownership Agreement for Virgil C. Summer Nuclear Station dated October 18, 1973, as amended herein. The terms used in said Agreement are incorporated into and made a part of this Amendment except as they may be specifically qualified or redefined.

1.02 "Amendment" means this Amendment No. 1 to the Agreement.

1.03 "Costs of Nuclear Fuel" means the cost of acquisition, design, ownership, engineering, licensing, fabrication, enrichment, processing, reprocessing, transportation, insurance, waste management, storage and safeguards of Uranium, Nuclear Fuel and Spent Fuel and other costs associated with such fuel.

1.04 "Energy" means Energy Subsidiary, Inc., a wholly-owned corporation of the Company which is authorized to own and hold title to Uranium in behalf of the Parties.

1.05 "ERDA" means Energy Research and Development Administration, an agency of the United States of America, or any successor agency.

1.06 "Nuclear Fuel" means "Fuel" as defined in Section 1.6 of the Agreement and includes Uranium, plutonium and other radioactive compounds that have been fabricated for use in a nuclear reactor and all contracts relating thereto.

1.07 "Spent Fuel" means Nuclear Fuel that has been removed from the nuclear reactor at the conclusion of its useful life as fuel for a nuclear reactor and all contracts relating thereto.

1.08 "Uranium" means compounds of Uranium in any form or any isotope whatsoever whether of domestic or imported origin, natural, enriched, processed, or fabricated as Nuclear Fuel or as Spent Fuel, and all products of such Uranium including plutonium, wastes, and by-product elements before or after use in a nuclear reactor and all contracts relating thereto.

1.09 "Westinghouse" means Westinghouse Electric Corporation.

1.10 "Westinghouse Nuclear Fuel Contract" means the Contract between Company and Westinghouse dated June 4, 1973, with an effective date of December 18, 1970, which was assigned under the Agreement by Company to Authority on November 30, 1973 according to the Parties' respective Ownership Shares.

2. AGREEMENT

2.01 The Agreement as amended herein shall govern the rights of the Parties mutatis mutandis.

2.02 The Parties agree that they shall own all Uranium and Nuclear Fuel as tenants-in-common in accordance with Section 12 of the Agreement.

2.03 The Parties agree that reimbursement for costs of acquisition and ownership of Nuclear Fuel including enrichment under Company's enrichment contract with ERDA shall be made in accordance with Section 6 of the Agreement and shall be treated for the purposes of this Amendment as a "Cost of Construction" as otherwise defined in Section 1.02 of the Agreement.

2.04 The Authority further authorizes and designates Company, and Company agrees to so act, as its agent for the acquisition and ownership of Uranium and as agent for the administration of the Westinghouse Nuclear Fuel Contract including all necessary agreements with ERDA concerning enrichment. The Company is further authorized to enter into agreements for the sale and exchange of Uranium so that Uranium in the enrichment process will meet requirements of ERDA concerning enrichment of imported Uranium.

2.05 Authority authorizes Company to delegate to Energy the functions of acquisition and ownership of Uranium and Nuclear Fuel as specified in Sections 2.02 and 2.04, above.

2.06 Company will cause Energy to give written recognition of the Authority's one-third undivided Ownership Interest in such Uranium and Nuclear Fuel and contracts therefor; and, such other and further assurances and documents including a security interest therein as may be reasonably necessary as provided in Section 27.02 of the Agreement.

2.07 The amount to be paid by the Authority for its Ownership Share of the Uranium and Nuclear Fuel will be no more than if title had originally vested in SCE&G.

2.08 Authority ratifies the actions taken to date by Company and Energy in purchasing Uranium.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their corporate names and their corporate seals affixed, all by the proper officer duly authorized thereunto, as of the day and year first hereinabove written.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

[SEAL]

/S/ V. C. SUMMER
V. C. Summer, Senior Vice President

Attest:

By /S/ H. M. BRYANT
H. M. Bryant, Secretary

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

[SEAL]

/S/ WILLIAM C. MESCHER
Executive General Manager

Attest:

By /S/ L. P. DORMAN
Secretary