

SUMMER

SCE&G withdraws abandonment petition

Barely two weeks after announcing that construction on Summer-2 and -3 had ceased, SCE&G withdrew its request to abandon the project, allowing time for review of the utility's decision-making process.

South Carolina Electric & Gas Company (SCE&G) on August 15 withdrew its request to abandon the Summer nuclear power plant expansion project. In a letter to the South Carolina Public Service Commission, SCE&G stated that the decision to withdraw its petition to formally cease work on the two Westinghouse AP1000 reactors under construction at the Summer site was made to allow time for government officials to conduct their reviews, according to a press release from SCANA, SCE&G's parent company.

"To be clear, our decision to withdraw the filing does not mean we are reconsidering the decision to cease construction of V. C. Summer Units 2 and 3," an SCE&G spokesperson said. "For reasons we've already outlined, including the impact of the Westinghouse bankruptcy on our fixed-price construction contract, the results of our evaluation of the cost and time to complete the project, and Santee Cooper's decision to suspend construction, we still believe the most prudent decision is to abandon the project. That said, we understand the magnitude of this decision and the impact it has had on many people. So before moving forward with the regulato-

ry process, we believe it would be appropriate to allow more time for our state's governmental officials to fully review and understand how we arrived at our decision to file for abandonment."

SCE&G and Santee Cooper, which owns a 45 percent share of the project, announced on July 31 that construction had ceased on the new units (*NN*, Aug. 2017, p. 17) following detailed analyses by each company of schedule and cost data provided by Westinghouse Electric Company and subcontractor Fluor Corporation, and the subsequent determination that it would not be in the best interest of customers and stakeholders to complete the project.

Prior to the announcement of SCE&G's withdrawal of its abandonment request, South Carolina legislators from both parties called for a special session to address the owners' decision to abandon the project. On August 4, Senate Majority Leader Shane Massey (R., Edgefield) and Senate Minority Leader Nikki Setzler (D., Lexington) sent a letter to Senate President Pro Tem Hugh Leatherman (R., Florence), asking that he and House Speaker Jay Lucas (R., Darlington) reconvene the General Assembly to consider a joint resolution



Photo: SCE&G

Summer: The third and final containment vessel ring for Unit 2 was placed on June 9.

suspending the authority of Santee Cooper and the Public Service Commission to act on the Summer project or authorize electricity rate increases until the legislature meets in regular session in January. Lucas said that calls to reconvene the General Assembly in order to freeze electric rates and stop actions involving the reactors were “impulsive.”

The state House and Senate, on August 8 and 9, respectively, announced the creation of bipartisan committees tasked with providing recommendations for statutory changes that “will better protect South Carolina’s electric ratepayers,” according to Leatherman. Massey and Setzler have been named cochairmen of the Senate’s V.C. Summer Nuclear Project Review Committee, and Rep. Peter McCoy (R., Charleston) will chair the House Utility Ratepayer Protection Committee.

Meanwhile, South Carolina Gov. Henry McMaster has continued to look for options to either save the project or provide more aid to those negatively affected by the construction halt, including customers and employees involved with the project.

According to the Charleston, S.C., *Post and Courier*, McMaster said that his office is talking with Duke Energy—South Carolina’s largest power provider—as well as Southern Company and Dominion Energy about buying Santee Cooper. “Everything is on the table,” McMaster said. “We have a state-owned utility. I have told these power companies that it is for sale—some or all.”

Santee Cooper is conducting its own search for a buyer for its 45 percent share of the project. “We have heard from two interested parties and are beginning our own outreach to others,” said Santee Cooper spokesperson Molly Gore. “We have a letter asking about interest in Santee Cooper’s share of the project going out this week to about 50 utilities and other entities in the Southeast who could enter into power purchase agreements.”

Also, on August 3, McMaster announced the creation of Employ SC, a “dynamic, rapid-response coalition” of public and private organizations that will hold job fairs to assist those affected by the suspension of the Summer expansion. “We will not rest until we have exhausted every avenue for those affected,” McMaster said in a statement. “South Carolinians have faced and overcome many challenges, and we take care of each other—especially in hard times.” The first job fair held by Employ SC took place on August 14 in Chapin, S.C., and included numerous state departments, such as the Department of Corrections and the Department of Education, along with Michelin, Duke Energy, Georgia Pacific, and the United Infrastructure Group. Another job fair was scheduled for

August 16 in Columbia, S.C., due to high demand at the inaugural job fair.

Class action against SCE&G

On August 11, an SCE&G customer filed a class action lawsuit in the Richland County Circuit Court accusing SCE&G of mismanaging the construction of Summer-2 and -3 and concealing “the true financial conditions of the project from the public.” The plaintiff, LeBrian Cleckley, an insurance claims representative, says that he is “explicitly not challenging the rates approved by the [Public Service Commission],” but rather, he is filing a complaint that by mismanaging the project and canceling construction, SCE&G has “entirely deprived Plaintiff [Cleckley] of the benefit of his payments made to Defendant [SCE&G], all while conferring upon Defendant a valuable saleable asset.” Cleckley is seeking restitution from SCE&G for himself and for “at least 700,000 persons [who] have incurred monetary damages as a result of the Defendant’s conduct,” according to the filing. At the time of this writing, an announcement had not been made on whether the lawsuit will continue in light of SCE&G’s decision to withdraw its request to abandon the project.

■ On June 22, prior to the construction halt, Friends of the Earth and the Sierra Club filed a complaint against SCE&G to request that the Public Service Commission hold SCE&G responsible “to remedy, abate, and make due reparations for the unjust and unreasonable rates to be charged to ratepayers” related to the reactors under construction. A hearing on this request is scheduled for October 2. Meanwhile, Santee Cooper had been seeking two rate increases of an average 3.7 percent, to take effect in 2018 and 2019. Its board of directors on August 11 authorized management to withdraw those requests.