DIRECT TESTIMONY

OF

A. RANDY WATTS

SEPTEMBER 3, 2008

DOCKET NO. 2008-196-E

Hearing on Petition of South Carolina Electric & Gas Company for an Order Permitting Commencement of Construction Activities at the V C Summer Nuclear Facility site near Jenkinsville, South Carolina.
DIRECT TESTIMONY OF

A. RANDY WATTS

FOR

THE OFFICE OF REGULATORY STAFF

DOCKET NO. 2008-196-E

IN RE: HEARING ON PETITION OF SOUTH CAROLINA ELECTRIC & GAS COMPANY ("SCE&G") FOR AN ORDER PERMITTING COMMENCEMENT OF CONSTRUCTION ACTIVITIES AT THE VC SUMMER NUCLEAR FACILITY SITE NEAR JENKINSVILLE, SOUTH CAROLINA

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.
A. My name is Randy Watts. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as Program Manager of the Electric Department for the Office of Regulatory Staff ("ORS").

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.
A. I received a Bachelor of Science Degree in Electrical Engineering from the University of South Carolina in Columbia in 1976. I was employed at that time by the Public Service Commission of South Carolina ("Commission") as a Utilities Engineer in the Electric Department and was promoted to Chief of the Electric Department in August 1981. Subsequent to internal Commission restructuring, my position was redesignated Chief of Electric in October 1999. I remained in that role until transferring to my current position with ORS in January 2005. I have testified on numerous occasions before the
Commission in conjunction with fuel clause, complaint, territorial assignment, Siting Act and general rate case proceedings.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?
A. The purpose of my testimony is to provide ORS's comments on SCE&G's Petition for an Order Permitting Commencement of Construction Activities in conjunction with the Company’s proposed two (2) new nuclear units at the site of the existing VC Summer Nuclear Station located near Jenkinsville, South Carolina.

Q. WHAT IS YOUR UNDERSTANDING OF THE ISSUE THAT IS BEFORE THE COMMISSION IN THIS PROCEEDING?
A. The only matter that is before the Commission in this proceeding is the Company’s request for permission to begin initial clearing, excavation and construction.

Q. WHAT IS REQUIRED OF SCE&G IN ORDER TO BE GRANTED PERMISSION TO PROCEED WITH THESE ACTIVITIES?
A. The Company needs to show that ‘these activities’ are justified by public convenience and necessity. For purposes of the Company’s request in this hearing to consider initial clearing and construction, there is no requirement to show that the public convenience and necessity requires the construction of the proposed generating facilities.

Q. WILL GRANTING OF THE REQUEST IN THIS PROCEEDING HAVE ANY BEARING ON THE COMPANY'S REQUEST TO CONSTRUCT A MAJOR UTILITY FACILITY?
A. No. Granting permission in this proceeding will have no bearing on the ultimate decision to approve or not approve the Siting of the proposed two nuclear power units.
The Commission made this explicitly clear in its Order on Hearing (Order No. 2008-570) in this matter issued on August 19, 2008.

Q. WILL GRANTING THE REQUESTED PERMISSION IN THIS PROCEEDING GARNER SCE&G ANY RATE COVERAGE?

A. No. By virtue of going forward with these activities if permission is granted, the Company will be proceeding at its own risk. The Commission addressed this point in its Order setting this matter for hearing. Cost and rate coverage matters, among other issues, will be addressed as part of the public hearing currently scheduled to commence on Monday, December 1, 2008.

Q. DOES ORS HAVE AN OBJECTION TO SCE&G’S REQUEST FOR PERMISSION TO PROCEED WITH INITIAL CLEARING AND CONSTRUCTION ACTIVITIES?

A. No, with the understanding that the Company is proceeding at its own risk; these activities will have no bearing on the ultimate proposed project Siting decision; costs and rate matters will be addressed in a subsequent hearing and are not affected or even considered by the granting of permission in this hearing; and in participating in these activities, the Company will comply with all applicable environmental and land-use requirements.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.
BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2008-196-E

IN RE: Combined Application of South Carolina Electric and Gas Company for a Certificate of Environmental Compatibility and Public Convenience and Necessity and for a Base Load Review Order for the Construction and Operation of a Nuclear Facility in Jenkinsville, South Carolina

) ) CERTIFICATE OF SERVICE

This is to certify that I, Pamela J. McMullan, have this date served one (1) copy of the DIRECT TESTIMONY OF A. RANDY WATTS in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Lawrence P. Newton
57 Grove Hall Lane
Columbia, SC, 29212

Robert Guild, Esquire
Friends of the Earth
314 Pall Mall
Columbia, SC, 29201

Ruth Thomas
1339 Sinkler Road
Columbia, SC, 29206

Carlisle Roberts, Esquire
Dept. of Health and Environmental Control
2600 Bull Street
Columbia, SC 29201

John Frampton, Director
Dept of Natural Resources
1000 Assembly Street
Columbia, SC 29201

Chad Prosser, Director
Dept. of Parks, Recreation and Tourism
1205 Pendleton St
Columbia, SC 29201

David L. Logsdon, COO
SC Dept. of Commerce
1201 Main Street, Ste 1600
Columbia, SC 29201

John V. Walsh, Deputy State Hwy Engineer
SC Dept. of Transportation
PO Box 191
Columbia, SC 29221

David Owen
SC Forestry Commission
PO Box 21707
Columbia, SC 29221

Honorable Gregrey Ginyard, Mayor
Town of Jenkinsville
366 Lakeview Drive
Jenkinsville, SC 29065

Roger Stroup, Director
SC Dept. of Archives and History
8301 Parklane Road
Columbia, SC 29221
Or by Email Service to the parties named below:

Joseph Wojcicki  
Email: joe4solar@aol.com  

Maxine Warshauer & Sam Baker  
Email: meira28@sc.rr.com

Mildred A. McKinley  
Email: manne57@bellsouth.net

Pamela Greenlaw  
Email: pmlgrnlw@yahoo.com

Damon E. Xenopoulos  
Email: dex@bbrsllaw.com

E. Wade Mullins, III  
Email: wmullins@bprwm.com

Scott Elliott  
Email: selliott@elliottlaw.us

Robert Guild  
Email: bguild@mindspring.com

Belton T. Zeigler  
Email: bzeigler@popezeigler.com

K. Chad Burgess  
Email: chad.burgess@scana.com

Mitchell Willoughby  
Email: mwilloughby@willoughbyhoefer.com

Joseph Wojcicki  
Email: joe4solar@aol.com

Mildred A. McKinley  
Email: manne57@bellsouth.net

September 3, 2008  
Columbia, South Carolina