Exhibit 1
ORS Material Related to Bechtel Report
SCE&G VC Summer Units 2 & 3  
October 27 & 28, 2015 ORS Site Visit Agenda  
(Tuesday & Wednesday)  

Cindy’s fax (803) 933-7761  Shirley’s fax (803) 933-7774  

I. Tuesday October 27, 2015  
Tour Comments - Main Feed Pump Alignments are in progress, a walk by would be helpful.  

8:00 am - 9:00 am  Construction (Alan Torres)  
9:00 am - 10:30 am  Tour (Kyle Young/Myra Roseborough)  
10:30 am - 11:00 am  Commercial (Skip, Michele, Margaret, Cindy)  
11:00 am - 11:30 am  Licensing (April Rice)  
11:30 am - 12:00 pm  Training (Andy Barbee-Paul Mothena)  

Wednesday October 28, 2015  

9:30 am - 10:00 am  Quality Assurance (Larry Cunningham)  
10:00 am - 11:00 am  Engineering (Brad Stokes/Sheila Jean-Cyber Security)  

SCANA  
William Hutson, Cindy Lanier, Michele Stephens, Skip Smith, Caroline Whatley, Margaret Felkel  
ORS  
Allyn Powell, Gene Soult, Gaby Smith and Gary Jones  

II. Construction Progress  
a) Weekly Construction Metrics (to include discussion of critical work fronts & status of project relative to the revised integrated schedule)  
i. Discuss the apparent inconsistencies in the Unit 2 schedule in which the hydrotest and hot functional are delayed 5 months and the fuel load is delayed 6 months, but the substantial completion is only delayed 3 months. (BLRA Milestone Tracking for September 2015).  

ii. Discuss the apparent inconsistency in the Unit 3 schedule in which near term dates have slipped consistently for the past few months, but the substantial completion date has not changed. Note that the summary schedules indicate that Unit 3 AB/Containment activities are up to 6 months late. (WS of 2015-10-12, Summary Schedule)  

iii. Discuss additional plans to improve the productivity of on-site construction labor. All areas continue to show productivity factors well above the stated goal of 1.15.
Mitigation and improvement plans over the previous 6 months do not appear to have resulted in any significant improvement. (Commercial Review Meeting slides of 2015-09-17, Slides 9 - 15 and summary of the Construction Effectiveness and Efficiency program).

iv. Discuss the decline in the overall construction staffing from 3278 in June to 2485 in August and the impact on the schedule. (Consortium 2015-09-17 MSMM, dated 2015-10-14, p. 79, Slide 134).

b) Unit 2 Nuclear Island
   i. Discuss the schedule and status of completion of welding CA01 to the embedment plates. (Repeat from the September meeting).
   ii. Provide the schedules for completing the remaining in-situ work on CA20, CA04 and CA05. (No specific reference).
   iii. Section III piping spools continue to be delivered late. At what point does this adversely impact the overall schedule and what mitigation measures are being pursued. (Consortium 2015-09-17 MSMM, dated 2015-10-14, p. 85, Slide 153).

c) Unit 2 Turbine Building
   i. Discuss the schedule slippage in the TG concrete placement from 2015-11-18 to 2015-12-11 and potential mitigation measures or additional controls put in place. (WCM of 2015-10-12, p.22)
   ii. Discuss the summary schedule that indicates that Condenser B is greater than 6 months behind schedule. (WS of 2015-10-12, Summary Schedule)

d) Unit 3 Nuclear Island, including the significant schedule slippages, especially of Line 1 from 2015-09-24 to 2015-12-30 and any mitigation and/or recovery activities. (WCM of 2015-10-12, p. 20).

e) Unit 3 Turbine Building
   i. Discuss the extent and duration of the work suspension due to lack of labor forces. (WCM of 2015-10-12, p. 35).
   ii. Discuss the overall plan to maintain sufficient resources to complete Unit TB. (No specific reference).
   iii. 10/15/15-POD- Pg. 20- CA04 out of tolerance issues appear to be similar to U2-CA04, were "lessons learned" from U2 incorporated into U3, please explain.

f) Cooling Towers
g) Raw Water System
h) Offsite Water System
i) Containment Vessels, including the schedule for ring sets
j) Shield Buildings
   i. Discuss the status and schedule of the NNI mitigation plan for accelerating delivery of the SB panels. (Repeat from previous meetings).
ii. Discuss the status and schedule for the SB roof fabrication. (Repeat from the September meeting).

iii. Clarify the status and schedule of the concrete placement in the first course of the SB panels (not clear from currently available information).

iv. Confirm that erection of course 2 of the SB panels has begun. (Consortium MSMM, p. 37, Slide 49 has it scheduled for 2015-10-10 and status on WCM is not clear).

k) Onsite and offsite storage
i. Discuss the status of storage at the airport storage facility and the availability for an ORS visit. (Repeat from previous meetings)
ii. WCM—10/19/15- Pg. 40/52- Please provide update of Storage and PM’s on stored equipment (Report due in Oct)

l) Structural & mechanical modules fabrication and schedule (delivery schedules for all fabrication vendors; include a discussion of Unit 3)

i. Discuss the mitigation plans for the critical U2/U3 mechanical modules. Schedules continue to be delayed. (Repeat from September meeting).

ii. Discuss the mitigation plan for the critical Greenberry mechanical and floor modules. (Repeat from September meeting). Also include a discussion of the actions taken to resolve issues identified in the 2015-09-10 facilities visit.

iii. Discuss the mitigation plan for the critical Dubose stair modules. (Repeat from September meeting).

iv. Confirm that the final sub-module kit from SMCJ is due on site 2015-10-21 (Consortium 2015-09-17 MSMM, dated 2015-10-14, p. 50, Slide 76)

v. Discuss the module scope of work being performed by TANE. (Consortium 2015-09-17 MSMM, dated 2015-10-14, p. 34, Slide 44).

vi. Address the impact of and resolution schedule for the recently identified issue that piping weld locations did not account for pipe support locations. (WCM o 2015-10-12, p. 9).

vii. Discuss the Toshiba/IHI mitigation and schedule improvement plan on Unit 3 CA01 (Consortium 2015-09-17 MSMM, dated 2015-10-14, Item I.6, p. 1)

viii. Discuss possible dates for L. Charles visit

m) Annex Building
i. Discuss the schedule and constraints for the mudmat placement due 2015-11-18 and basement pour due 2016-01-21. (Consortium 2015-09-17 MSMM, dated 2015-10-14, p. 52, Slide 80).
III. Licensing and Permitting
   a) NRC visits/reviews
   b) License Amendment Requests (LARs) and Preliminary Amendment Requests (PARs)
      i. Discuss the content of the supplement to LAR 111 submitted 2015-09-23 and the
         NRC reaction thus far. (WS of 2015-10-12, p. 31).
      ii. Discuss the status of LAR 30 and the results of the pre-submittal meeting held on
      iii. Discuss licensing status/schedule of CAS. (Follow up from previous meetings).
           What is meant by the redaction and affidavit? (MPSR for September, Item 10, p.
           24).
      iv. Discuss the changes resulting from the assessment plan update for regulatory

IV. Equipment
   a) Doosan
      i) Unit 3 Steam Generators
      ii) Unit 3 Reactor Vessel
   b) IBF/Tioga
      i) Unit 3 Reactor Coolant Pump Loop Piping
   c) Mangiarotti
      i) Unit 3 Pressurizer
      ii) Passive Residual Heat Removal (PRHR) Heat Exchangers (discuss the status and
           schedule of repairs)
   d) Curtiss Wright/EMD - Reactor Coolant Pumps, including the status of the root cause
      analysis on the pump impeller issue (repeat from July meeting). Is a new endurance
      test required?
   e) SPX Copes Vulcan – Squib Valves (to include status of EQ test)
   f) Switchyard
      i) Discuss the testing program on the capacitors and the status of the on-going
         investigation and resolution
      ii) Discuss the delivery schedule for the Unit 3 Tx and whether there is an adverse
           impact due to bridge damage from the recent flooding. (POD of 2015-10-15, p. 23)

V. Engineering
   a) Discuss the results of the WEC/CB&I Engineering interface workshop held in Charlotte
      on 09/15 and 09/16. (MPSR for September, Item 4, p. 12).
   b) Explain the role and composition of the Design Change Implementation Board (DCIB)
      and identify when meetings are held. (MPSR for September, Item 10, p. 23).
c) Discuss the findings from the summary of design changes since April 30, 2015 which was requested by SCE&G that WEC compile. (Consortium 2015-09-17 MSMM, dated 2015-10-14, Item III, p. 3).

d) Discuss the results from the Vendor Summit. (Consortium 2015-09-17 MSMM, dated 2015-10-14, tem IV, p. 4).

e) POD-10/15- Pg 24- Emergent Issues list item 34- Tubesheet Thickness generic issue. Does this effect Safety relate Heat exchangers? If so, please identify affected equipment.

f) 10/13/15-WCM Pg. 50- Toshiba/IHI behind on shipment of 18-U 3 CA01 Sub modules. What impact is this having on U 3 schedule?

h) K-7-Monthly Progress Report dated 9/30/15-Pg. 12/68-Meeting held to discuss Master Equipment List- Is SCE&G satisfied with the direction and timing. Is equipment Identification and Labeling incorporated into this work?

k) Pg. 52/68- Action ID- NPA-VS-02574- Requires formalizing the efficiencies between the 2 units. Please provide a copy for ORS to review.

VI. Financial/Commercial

a) Overall Status of Budget

b) Status of Change Orders

iii) Executed Change Orders

iv) Pending/Potential Change Order

(1) COL delay, design of shield buildings, design of structural modules, and

Unit 2 rock condition (CO #16) (Schedule impact, changes to LT storage, any financial impacts?)

(2) Commercial Settlement – resolves multiple outstanding issues, no increase to EPC costs (CO #17)

(3) AP1000 Cyber Security remaining work scope

(4) Site Layout Changes

(5) Active Notices

c) BLRA milestones

d) Discuss the Status of the Bechtel Assessment and the top ten issues noted thus far.

e) K-7-10/15/15- Pg. 3/13-CRM- Discuss Company’s view of report. Discuss why current external cost forecast is the same as December 2014 forecast given the lack of productivity improvement. Please provide an update on Settlement discussions to resolve “deficient invoices”.

f) Please identify the changes that will be made to the CRM as a result of the PSC approval of the Petition and when these changes will be complete.
VII. Quality Assurance

a) Discuss significant results of the 10/12 – 10/15 CB&I surveillance of CB&I-LC (September Consortium MSR, Item 3, p. 5)
b) Discuss significant results of the 10/05 – 10/08 CB&I surveillance of Cives (September Consortium MSR, Item 3, p. 6)
c) Discuss significant results of the 10/19 – 10/22 CB&I audit of AECON (September Consortium MSR, Item 3, p. 5)
d) Discuss significant results of the 10/05 – 10/08 CB&I surveillance of Gerdau (September Consortium MSR, Item 3, p. 6)
e) Discuss significant results of the 10/12 – 10/15 CB&I audit of Dubeose. (September Consortium MSR, Item 3, p. 6).
f) Discuss significant results of the 09/28 – 10/01 CB&I surveillance of SMCI (September Consortium MSR, Item 3, p. 7)
g) POD- 10/08/15- Procurement discussed the need to seek alternative supplier for CBI-Laurens Piping- Please discuss the issues surrounding this change.

VIII. Operational Readiness

a) Discuss the status of the following programs which were to be back on schedule by the date indicated (SCE&G June MSR, p. 32):
   i. EMI/RFI by 8/6
   ii. Pumps by 8/10
   iii. Breakers by 7/31
   iv. Motor Reliability by 8/10
   v. Batteries, Chargers and Support Systems by 7/23
b) Discuss the status of the following programs that were to start by the indicated date (SCE&G June MSR, p. 34)
   i. ISI by 8/1
   ii. Electrical Cable Aging Management by 5/1/2013
   iii. Irradiated Fuel Inspection by 8/1
c) Discuss the status of the labeling program (QESC of 2015-08-31, Slide 23).
d) Discuss lessons learned from meeting with SNDPC and WANO on Haiyang startup test program.(QESC of 2015-08-31, Slide 22)

IX. Training

a) Discuss impact and mitigation plans for the training staff attrition (QESC of 2015-08-31, Slides 25 and 28).
March 4, 2016

VIA ELECTRONIC-SERVICE

K. Chad Burgess, Esquire
South Carolina Electric & Gas Company
220 Operation Way - MC C222
Cayce, SC 29033-3701

RE: October 2015 Amendments to the Engineering, Procurement, and Construction Contract Related to the Construction of a Nuclear Baseload Generation Facility at Jenkinsville, South Carolina

Mr. Burgess:

Please find attached and served on you South Carolina Office of Regulatory Staff’s First Continuing Request for Records and Information. Please contact me if you have any questions.

Sincerely,

[Signature]
Shannon Bowyer Hudson

Attachment
IN RE: October 2015 Amendments to the Engineering, Procurement and Construction Contract Relating to the Construction of a Nuclear Baseload Generation Facility at Jenkinsville, South Carolina

TO: K. CHAD BURGESS REPRESENTATIVE FOR SOUTH CAROLINA ELECTRIC & GAS COMPANY:

I. INSTRUCTIONS

The South Carolina Office of Regulatory Staff ("ORS") hereby requests, pursuant to S.C. Code Ann. § 58-4-55, 58-27-160, 58-27-1570, 58-33-230, and 58-33-277 that South Carolina Electric & Gas Company ("SCE&G" or "Company") provide responses in writing and under oath and serve the undersigned on or before March 18, 2016 to ORS at 1401 Main Street, Suite 900, Columbia, South Carolina, 29201 and to the attention of Gary Jones of Jones Partners at 1222 W. George Street, Chicago, IL 60657-4220. If you are unable to respond to any of the requests, or part or parts thereof, in a timely manner please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these audit requests, "identify" means, when asked to identify a person, to provide the full name, business title, address and telephone number. As used in these audit requests, "address" means mailing address and business address. When asked to identify or provide a document, "identify" and "provide" mean to provide a full and detailed description of the document and the name and address of the person who has custody of the document. In lieu of providing a full and detailed description of a document, a copy of the document may be attached with the identity of the person who has custody of it. When the word "document" is used herein, it means any written, printed, typed, graphic, photographic, or electronic matter of
any kind or nature and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings. As used in this audit request, “address” means mailing address and business address.

IT IS THEREFORE REQUESTED:

- All information shall be provided to ORS and Gary Jones of Jones Partners in the format requested.
- All responses to the requests below must be labeled using the same numbers as the requests.
- Unless otherwise agreed, the requested information shall be bound in 3-ring binders with numbered tabs between each question. All exhibits shall be reduced or expanded to 8 ½” x 11” formats, where practical.
- Each question should be reproduced at the beginning of each tab or in front of the response provided.
- If information requested is found in other places or other exhibits, reference shall not be made to those; instead, reproduce and place a copy of the requested information in the appropriate numerical sequence.
- Any inquiries or communications requesting clarification of the information requested should be directed to Shannon Bowyer Hudson [803.737.0889] or Allyn Powell [803.737.0664] of ORS.
- This entire list of questions shall be reproduced and included in front of each set of responses.
- Unless otherwise set forth below, SCE&G shall provide four (4) paper copies/binders of responses to ORS. In addition, and if technically feasible, it is requested that SCE&G provide one (1) electronic version with working spreadsheets (not in Adobe) to ORS and one (1) electronic version to Gary Jones of Jones Partners [gary@jonespartners.net].
- If the response to any request is that the information requested is not currently available, please state when the information requested will be provided to ORS. This statement is not a waiver of the deadline for all other responses.
- This request shall be deemed to be continuing so as to require SCE&G to supplement or amend its responses as any additional information becomes available.
- If the information requested is kept, maintained, or stored using spreadsheets, please provide fully functional electronic versions of the spreadsheets, including the formulas used and embedded in the spreadsheet.
II. REQUESTS.

1-1 Please provide:

a) An itemized list of all increased costs including a description of the item, description of why and what precipitated the increase, the dollar amount increased and which cost categories are affected by the cost changes associated with the October 2015 Amendment ("Amendment") to the May 23, 2008 Engineering, Procurement and Construction ("EPC") Agreement ("EPC Contract") for nuclear power plant Units 2 and 3 ("Units") at the Virgil C. Summer Nuclear Generation Station ("Project") above and beyond those associated with Order No. 2015-661.

b) A spreadsheet with a detailed breakdown of all increased costs associated with the Amendment for Owners Costs, each EPC Contract Cost Category and the Transmission Cost Category. (See Attachments 1 & 2)

c) A spreadsheet with a detailed breakdown of the history of itemized capital costs that have been incurred and the capital costs that SCE&G anticipates incurring throughout the life of the project as a result of the Amendment. (See Attachment 3)

1-2 For Owners Costs, please provide an itemized list of all increased costs associated with the Amendment for labor, non-labor, and non-split portions, including a description of the item, description of why and what precipitated the increase, the dollar amount increased and which EPC Contract Cost Categories are affected.

1-3 Provide a detailed explanation, breakdown of costs, background data, and associated documents regarding all costs that SCE&G has incurred and are anticipated to incur to fulfill their obligations related to the Amendment.
1-4 Provide a detailed explanation, breakdown of costs, background data, associated documents and the methodology used for reaching the dollar amounts in the Owners Cost category.

   a) As approved in Order No. 2010-12
   b) As modified in Order No. 2011-345
   c) As modified in Order No. 2012-884
   d) As modified in Order No. 2015-661
   e) As associated with the Amendment

1-5 Provide a detailed explanation, breakdown of costs, background data, and associated documents regarding the costs for each item that is in the non-split portion of Owners Cost.

   a) As approved in Order No. 2010-12
   b) As modified in Order No. 2011-345
   c) As modified in Order No. 2012-884
   d) As modified in Order No. 2015-661
   e) As associated with the Amendment

1-6 Provide a detailed explanation, breakdown of costs, background data, and associated documents regarding the costs for each item that is in the labor portion of Owners Cost.

   a) As approved in Order No. 2010-12
   b) As modified in Order No. 2011-345
   c) As modified in Order No. 2012-884
   d) As modified in Order No. 2015-661
   e) As associated with the Amendment

1-7 Provide a detailed explanation, breakdown of costs, background data, and associated documents regarding the costs for each item that is in the non-labor portion of Owners Cost.

   a) As approved in Order No. 2010-12
   b) As modified in Order No. 2011-345
   c) As modified in Order No. 2012-884
   d) As modified in Order No. 2015-661
   e) As associated with the Amendment

1-8 Provide a documented “path” for all EPC Contract, Owners Costs and Transmission dollars and other items that were shifted between cost categories in this Amendment.

1-9 For each cost shifted in response to 1-8 above, explain why each shift is necessary.

1-10 Provide a detailed narrative description of the Fixed Price Option and the Non-Fixed Price Option.

1-11 Describe the benefits of the Fixed Price Option and the benefits of the Non-Fixed Price Option.
1-12 What specific relief do you plan on requesting from the Commission? Please provide separate responses for cases in which the Company elects the Fixed Price Option and the Non-Fixed Price Option.

1-13 For each option outlined in 1-12, which statute(s) do you plan to request relief under?

1-14 What support do you intend to offer for the relief you plan to request? Please provide separate responses for each option outlined in 1-12.

1-15 Provide a comparison of the projected staffing levels under the Amendment to those previously projected under Order No. 2015-661. How does the current staffing level compare to the staffing level projected under Order No. 2015-661? What are the reasons for the changes?

1-16 Provide details to substantiate that the interval between the Unit 2 and Unit 3 Substantial Completion Dates ("SCDs") included in the Amendment is credible.

1-17 Provide a detailed explanation that describes the impact of delaying the SCDs for Units 2 & 3 on the Company's load forecast for the years 2017 through 2020. Also, provide the additional costs (e.g., fuel costs and replacement capacity costs) associated with changes to the load forecast for years 2017 through 2020.

1-18 Provide a copy of the changes from the Amendment incorporated into the EPC Contract.

1-19 At the November 19, 2015 Allowable Ex-Parte Briefing to the Public Service Commission it was stated that the "Change in Law" provision of the EPC contract needed clarification as it was subject to interpretation. Please provide a list of items considered to be in need of clarification in the EPC contract prior to the amendment. Have all of these items been addressed by the Amendment? If so, how?

1-20 Describe in detail the changes to the "Change in Law" provision identified in the Amendment. As of what date will these changes be effective? Will it cover only future changes in law, or will it cover new disputes that arise over changes in law prior to the execution of the Amendment?

1-21 Describe and provide the amount of compensation paid to or related to the release of CB&I.

1-22 Provide the Revised, Fully-Integrated Construction (Level 1) Schedule with the calculated float for each milestone for the new SCDs for Unit 2 & 3 in the Amendment.

1-23 The increase approved in Order No. 2015-661 was based on estimates. The Amendment incorporates both these estimates and additional increases. Has SCE&G received additional documentation behind the Order No. 2015-661 estimates? The increase in the project estimate granted by Order No. 2015-661 was not expected to be solely borne by the Owners and was not anticipated to be totally paid by the Owners. Please explain the reasons why SCE&G determined that this full amount plus the additional amounts proposed in the Amendment are now to be paid by the Owners.

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EXHIBIT 1 PAGE: 12
1-24 Describe each schedule mitigation strategy currently under consideration by SCE&G and provide an assessment of their potential impact on meeting the SCDs provided in the Amendment.

1-25 Provide the details and computations associated with the revised and delay-related liquidated damages limits specified in the Amendment, including the rationale to limit the maximum damages to $463 million per unit without the Fixed Price Option or $338 million per unit with the Fixed Price Option.

1-26 Explain why SCE&G believes relief from reimbursement to the Owner in the amount of $250 million per unit should be extended to the Contractor if the time frame in which the federal tax credit can be claimed is extended beyond the current December 31, 2020 deadline such that the Units remain eligible for the tax credit.

1-27 Provide the rationale for including in the Amendment a $275 Million per unit bonus under the Non Fixed Price Option or $150 Million bonus per unit under the Fixed Price Option to the Contractor for finishing the Units beyond the original SCDs. Also explain why this bonus may be extended beyond the SCDs currently defined in the Amendment and why SCE&G believes it is appropriate to maintain this bonus at the same level if the project is not completed by the stated SCDs. Explain all deliberation prior to the Amendment given to reducing or eliminating the bonus if the project extends beyond the currently proposed SCDs?

1-28 Provide the criteria the Owner will use to determine whether to execute the irrevocable fixed priced option, the anticipated date when this decision will be made, and the cost justification that this is in the best interest of the Owner.

1-29 SCE&G has stated that Westinghouse intends to engage Fluor Corporation as a subcontracted construction manager. Please provide a narrative description and an organization chart that illustrate what this will look like in terms of the management structure of the project. Please identify any other new nuclear power plant project that has successfully employed the approach of using a subcontracted construction manager. Also, please provide any experience that Fluor has in this approach, and, if none in nuclear power, please identify similar experience in other projects of comparable size and scope.

1-30 Provide a summary of the costs and a description of the resolution of items listed in Exhibit C of the Amendment that have been subsequently resolved since Exhibit C was originally prepared. Have dates been set or scheduled for resolution of the remaining items? If so, please provide the schedule?

1-31 Provide the target date for issuing the revised Milestone Payment Schedule and a copy when available.

1-32 Has SCE&G decided to retain the services of a Project Consultant as allowed in the Agreement? What are the costs associated with these services? Are these costs included in the current estimate of the Owner’s Cost? Has a contract been awarded? If so, to whom? If this decision has not yet been made, please advise the target schedule for making a decision or implementing this service.
1-33 Identify the target schedule for the completion of:
   a) Fluor’s assessment of and recommendations for changes to the Revised Integrated Project Schedule,
   b) Fluor’s assessment of productivity and recommendations for improvement,
   c) The integration of Fluor’s QA/QC Program into the project program and a description of how this will be accomplished,
   d) A description of how Fluor will be integrated into the plant Corrective Action Program and the target date for achieving this integration, and,
   e) A description of how Fluor will manage the construction labor force, subcontractors and procurement.

1-34 Provide an updated Base Load Review Act milestone schedule.

1-35 Provide the target date for the full implementation of the Dispute Resolution Board, identify its members, and provide copies of its procedures once they are developed.

1-36 Describe the process to discuss operational and project execution issues with the Vogtle project. Will it be formalized through a written agreement and/or procedures? Will regularly scheduled meetings be held? If so, provide a schedule for these meetings.

1-37 Provide the names and contact information for all senior Westinghouse and Fluor management staff added to the site as a result of the Consortium changes.

1-38 Perform an economic analysis of delay scenarios of 18, 24, 36 and 48 months beyond the forecasted commercial operation dates associated with Order No. 2015-661 and with the Amendment. The delay scenarios should provide estimates for the total project cost as well as the revenue requirements associated with the total project cost that customers may incur both during construction and over the operating lives of the Units.

1-39 As a part of this analysis, please include an analysis of the prudence of continuing construction of the Units today and for each delay scenario in 1-38.

1-40 Provide a levelized cost per kW for each unit under both the Fixed Price Option and the Non Fixed Price Option.

1-41 Explain the status of the $86 million in liquidated damages that SCE&G stated in Docket No. 2015-103-E it intended to seek. If it has not been sought, please explain why.

1-42 In reference to transcript Vol. 1 pages 85 and 86 of Mr. Marsh’s pre-filed direct testimony in Docket No. 2015-103-E, please explain how SCE&G has been prudent using each listed bullet point with respect to the additional money agreed to in the Amendment.

1-43 In reference to lines 3-7 in transcript Vol. 1 page 92 of Mr. Marsh’s pre-filed direct testimony in Docket No. 2015-103-E, please explain whether the decision to forgo price certainty was the correct decision? Explain whether the current cost increases exceed the cost that would have been paid for price assurances under the 2008 EPC Contract.

1-44 What leverage does SCE&G maintain over the contractor(s) aside from the withholding of payment?
1-45 How much greater is the Amendment cost (using both non-fixed and fixed priced options) of the plants than the amount approved in Base Load Review Order No. 2009-104(A) for the Units?

1-46 How do the increased costs affect the cost of the 5\% Santee Cooper portion that SCE\&G intends to buy? Presuming the Commission approves the increases associated with the Amendment and the purchase, if SCE\&G purchased the Santee Cooper 5\% stake, what would the purchase price be?

1-47 Explain why the EPC Contract, incorporating the new Amendment, is reasonable and prudent.

Shannon Bowyer Hudson
Deputy Chief Counsel
South Carolina Office of Regulatory Staff
1401 Main St., Ste. 900
Columbia, SC 29201
Phone: (803) 737-0889
Fax: (803) 737-0895
Email: shudson@regstaff.sc.gov

March 4, 2016
March 24, 2016

VIA HAND DELIVERY

Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
1401 Main Street Suite 900
Columbia, SC 29201

RE: October 2015 Amendments to the Engineering, Procure and Construction Contract Relating to the Construction of a Nuclear Baseload Generation Facility at Jenkinsville, South Carolina

Dear Ms. Hudson:

Enclosed you will find four (4) copies of the responses of South Carolina Electric & Gas Company (“SCE&G”) to the South Carolina Office of Regulatory Staff’s First Continuing Request for Records and Information with regard to the above-referenced matter. As requested, SCE&G’s responses are bound in three-ringed binders with numbered tabs between each question. Also enclosed as requested is one (1) compact disc which contain electronic copies of the responses.

By copy of this letter and in accordance with your instructions, we are also providing one (1) electronic copy of the responses via compact disc to Gary Jones.

If you have any questions, please do not hesitate to contact us.

Very truly yours,

Matthew W. Gissendanner

Enclosures

cc: Gary Jones
(via U.S. First Class Mail w/enclosure)
REQUEST 1-32:

Has SCE&G decided to retain the services of a Project Consultant as allowed in the Agreement? What are the costs associated with these services? Are these costs included in the current estimate of the Owner’s Cost? Has a contract been awarded? If so, to whom? If this decision has not yet been made, please advise the target schedule for making a decision or implementing this service.

RESPONSE 1-32:

Yes. SCE&G has decided to retain the services of at least two project consultants for consultation as to the process for the selection of construction payment milestones. One of the consultants, Work Management, Inc., has already performed its services, and SCE&G expects that the cost of those services will be less than $5,000. The second company has not yet signed a contract or provided any services, but the costs should not exceed $25,000. There are sufficient funds in the Owner’s Cost category to cover these amounts.
VIA HAND DELIVERY

Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201

RE: October 2015 Amendments to the Engineering, Procurement, and Construction Contract Related to the Construction of a Nuclear Base Load Generation Facility at Jenkinsville, South Carolina

Dear Shannon:

Enclosed please find found (4) copies of South Carolina Electric & Gas Company’s (“SCE&G” or “Company”) supplemental responses to the South Carolina Office of Regulatory Staff’s First Continuing Request for Records and Information Nos. 1-1, 1-2, 1-3, 1-4, 1-5, 1-6, 1-7, 1-15, 1-16, 1-22, 1-25, 1-28, 1-29, 1-31, 1-32, 1-33, 1-34, 1-35, 1-37, 1-40, 1-45, and 1-46. SCE&G’s responses are three-hole punched for insertion into the previously provided three-ring binders. Also enclosed as requested is one (1) compact disc which contains electronic copies of the Company’s supplemental responses.

By copy of this letter and in accordance with your instructions, we are also providing one (1) electronic copy of SCE&G’s supplemental responses via compact disc to Gary Jones.

If you have any questions, please advise.

Very truly yours,

K. Chad Burgess

KCB/kms
Enclosures

cc: Gary Jones
(via U.S. First Class Mail w/enclosures)
SOUTH CAROLINA ELECTRIC & GAS COMPANY
OFFICE OF REGULATORY STAFF'S FIRST AUDIT INFORMATION REQUEST
October 15 Amendments to the Engineering, Procurement, and
Construction Contract Related to the Construction of a Nuclear Baseload
Generation Facility at Jenkinsville, South Carolina

REQUEST 1-32:

Has SCE&G decided to retain the services of a Project Consultant as allowed in
the Agreement? What are the costs associated with these services? Are these
costs included in the current estimate of the Owner’s Cost? Has a contract been
awarded? If so, to whom? If this decision has not yet been made, please advise
the target schedule for making a decision or implementing this service.

RESPONSE 1-32:

Yes. SCE&G has decided to retain the services of at least two project consultants
for consultation as to the process for the selection of construction payment
milestones. One of the consultants, Work Management, Inc., has already
performed its services, and SCE&G expects that the cost of those services will be
less than $5,000. The second company has not yet signed a contract or provided
any services, but the costs should not exceed $25,000. There are sufficient funds
in the Owner’s Cost category to cover these amounts.

FIRST SUPPLEMENTAL RESPONSE 1-32:

SCE&G retained the consulting services of Work Management, Inc. concerning
the selection of construction payment milestones. These consulting services were
provided at no cost to SCE&G. With regard to the second consultant company
referenced in Response 1-32, SCE&G has elected to not pursue the hiring of this
company.
REQUEST 1-32:

Has SCE&G decided to retain the services of a Project Consultant as allowed in the Agreement? What are the costs associated with these services? Are these costs included in the current estimate of the Owner’s Cost? Has a contract been awarded? If so, to whom? If this decision has not yet been made, please advise the target schedule for making a decision or implementing this service.

RESPONSE 1-32:

Yes. SCE&G has decided to retain the services of at least two project consultants for consultation as to the process for the selection of construction payment milestones. One of the consultants, Work Management, Inc., has already performed its services, and SCE&G expects that the cost of those services will be less than $5,000. The second company has not yet signed a contract or provided any services, but the costs should not exceed $25,000. There are sufficient funds in the Owner’s Cost category to cover these amounts.

FIRST SUPPLEMENTAL RESPONSE 1-32:

SCE&G retained the consulting services of Work Management, Inc. concerning the selection of construction payment milestones. These consulting services were provided at no cost to SCE&G. With regard to the second consultant company referenced in Response 1-32, SCE&G has elected to not pursue the hiring of this company.

SECOND SUPPLEMENTAL RESPONSE 1-32:

After deciding not to pursue the hiring of the second consultant company referenced in SC&EG’s First Supplement Response, 1-32 above, SCE&G has now decided to retain the services of another project consultant, Secretariat International, Inc., to assist the Company with the construction milestone payment schedule. As stated in Response 1-32 above, there are sufficient funds in the Owner’s Cost category to cover this expense.
SOUTH CAROLINA SENATE
V.C. Summer Nuclear Project Review
Committee Meeting
September 18, 2017

Transcribed by DONNETTE COWGILL

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972-719-5000

EXHIBIT 1 PAGE: 21
senator from Horry, hold on just a minute. Senator from Edgefield, will you swear the witnesses?

SENATOR GOLDFINCH: Who's going to speak?

CHAIR MASSEY: I think all of them are.

SENATOR GOLDFINCH: Are all of you going to speak?

SENATOR RANKIN: Who's at the --

who's at the podium --

CHAIR MASSEY: We're not going to take a chance. Anybody -- everybody -- all of you raise your right hand, please. Everybody in the audience -- no, no. All right.

(Oath administered.)

CHAIR MASSEY: Mr. Chairman, all three of them said, "I do."

SENATOR RANKIN: Ma'am,

introduce yourself. I'm sorry.

MS. POWELL: I'm sorry. Ellen Powell with the South Carolina Office of Regulatory Staff.

I manage the review for ORS. And I'll tell you that we're -- we're still going back through our -- our information, because it's conversations from two years now that we're trying to remember.
But this is what I know. In October of 2015 -- I think it was October 27th -- we had an item on our agenda where we asked for basically the top ten items that Bechtel had been recommending. To give you some context, SCE&G did not tell us, to my knowledge that Bechtel was doing assessments. One of my staff members observed Bechtel people in a -- in a meeting, and said, "Hey, what are they doing?" -- noticed that they made two or three observations to Westinghouse.

My staff person then came back, told me and Gary that, you know, what they had observed. And we were like, well -- we thought at the time, I think, it was just another person that Westinghouse had hired to try to help them improve the project, because they would occasionally go through these incidents where they would try to hire someone to help them do things better, and they would come and they would go, and some things would change and some things would not change.

But sort of out of, you know, we're like "Well, let's just -- let's just ask a question and see what we get." And so we put a question on our agenda: What were the top things that Bechtel was telling Westinghouse in this meeting? And then we
--- we got a response. The -- the first people we talked about was to the budget and finance team.

The budget and finance team, my notes indicate, said that they hadn't been briefed on anything to do with -- with Bechtel.

Then I believe that Gary talked to Mr. Perez, and I think he said that he'd been interviewed by Bechtel and that -- then -- and then my recollection is Gary -- and then that was really -- and I don't remember that conversation. Gary would really have to testify to that conversation. I think I actually may have left before the end of that conversation because I had to get back to a meeting at the office.

I know that we followed up about Bechtel in November. We also followed up about Bechtel in December, and we followed up about Bechtel in January.

SENATOR RANKIN: And that's with who?

Who are you following up with?

MS. POWELL: With -- with the team on site. The recollection that my staff member Gary and myself all have is that we asked our primary contacts, who are the budget and finance people, at one of these meetings -- and I'm sorry, I can't find
it written down in my notes anywhere, but we all
have the same recollection. We said, "Has there
ever been anything, you know, that came out of what
Bechtel did?"

And they said that they were aware of a
written presentation, but -- not a written -- I'm
sorry. They were aware of a verbal presentation,
but not of any written documents. And I said,
"Well, if there are any written documents, I would
like them."

SENATOR RANKIN: And that would have
been approximately when?

MS. POWELL: That would have in the
spring of -- that would have been in the spring of
2016, but I don't remember when it was.

SENATOR RANKIN: Okay.

MS. POWELL: And so even if it had
been before the report was issued, I would hope that
our -- that our regulation entity would know that we
wanted it and provide it when the report was issued.

SENATOR RANKIN: All right, and your
dates again, your months you've listed, you had a
number of conversations with -- and the last time
would have been --

MS. POWELL: It -- it would have
EEIRAHE

1 been --
2 SENATOR RANKIN: -- spring of 2016?
3 MS. POWELL: -- spring of 2016.
4 SENATOR RANKIN: And the first time
5 that you noticed the Bechtel --
6 MS. POWELL: October of 2015.
7 SENATOR RANKIN: Okay. And it -- so
8 at time were -- were you provided with any report
9 prior to its release by Governor McMaster? He was
10 (indiscernible)?
11 MS. POWELL: I'm not aware of any
12 written documents we were provided with.
13 SENATOR RANKIN: In your efforts to
14 get this information, was it done in conversation or
15 was there written communication requesting this?
16 MS. POWELL: The -- the only written
17 communication I have is that one from October.
18 SENATOR RANKIN: Of 2015?
19 MS. POWELL: 2015. After that we
20 essentially followed up and said, "Is there any
21 update? Is there any update?" verbally in our
22 meetings.
23 SENATOR RANKIN: And you said --
24 MS. POWELL: Because we -- we didn't
25 know that there -- there was a report or exactly
what they were doing.

SENATOR RANKIN: Okay. And that,
again, is of the finance people of both SCANA and
Santee Cooper?

MS. POWELL: It was the -- with
the -- the finance people of -- of SCANA.

SENATOR RANKIN: Okay. All right. I
don't have anything else of these three folks.

CHAIR MASSEY: Okay.

CHAIR SETZLER: Thank y'all --

SENATOR RANKIN: Thank y'all.

CHAIR SETZLER: -- very much.

SENATOR RANKIN: So again, Mr. Marsh,
in the -- is -- is it a false narrative; is it a
true narrative? Let me just jump to another one.
That had perhaps both you and Santee Cooper been
more forthright with the public and with ORS, given
the requests of information that was denied, that
had we known earlier that the project could have
been shuttered and that your shareholders and
ratepayers, and Santee Cooper's shareholders, which
is every taxpayer in this state, and its customers,
could have saved millions and millions and millions
of dollars. Is that a true narrative or is that a
false narrative?