October 29, 2016

Jocelyn G. Boyd, Esquire
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Petition of South Carolina Electric & Gas Company for Updates and Revisions to Schedules Related to the Construction of a Nuclear Base Load Generation Facility at Jenkinsville, South Carolina
Docket # 2016-223-E

Dear Ms. Boyd:

Please find enclosed my synopsis for the above titled case.

Sincerely,

Sandra Wright

Encl.

Synopsis Docket 2016-223-E
Synopsis Docket 2016-223-E

By: Sandra Wright
313 N. Stonehedge Dr.
Columbia, SC 29210

Re: Petition of South Carolina Electric & Gas Company for Updates and Revisions to Schedules Related to the Construction of a Nuclear Base Load Generation Facility at Jenkinsville, South Carolina

This Docket is worded as an update and revision, but in fact it is a new contract. The original contract was with the Consortium. At the time the original contract was brought before the Commission, the Consortium consisted of two entities, Westinghouse Electric Company and Chicago Bridge & Iron. With this "Amendment Contract", the Consortium no longer exists. This new Amendment Contract is between SCE&G and Westinghouse alone. There have been many breaches of the original contract in relation to costs and delays. The Amendment Contract is an attempt to convince the Commission that this new contract is simply an amendment to the original contract. There are major conditions in this "revision" that change the original contract.

Docket 2016-223-E is not simply about construction increases or the Amendment Contract that SCE&G/SCANA is bringing before you. This Docket will allow certain major changes in the way costs are handled and the way in which the "owner costs" can be manipulated to allow for ratepayers to continue to pay higher rates. There is a statement in the Settlement Agreement that suggests SCE&G/SCANA will not file any modification requests with the Commission until after January, 28, 2019. This statement is in the Settlement Agreement and NOT in the Amendment Contract with Westinghouse. The Settlement agreement also suggests that the settling parties agree that this settlement should be approved by the commission as the new construction expenditure schedule for completion of the Units. That this Settlement would replace and supersede Order Exhibit No. 2 or Order No. 2015-661. I would suggest Caution and diligence in agreeing to this.

The rate increases are a very integral part of the construction of these nuclear
reactor plants in Jenkinsville, SC. More construction equals more rate increases. Construction and Costs go hand in hand. If they didn't then anyone could build a mansion and never think about the costs. SCE&G/SCANA would like the Commissioners to think about the two as not linked, but the Commissioners must know that they are!

To go ahead with this construction from this point without considering the eventual inevitable increased costs to the ratepayers would be a grave mistake for the Commission.

SCE&G/SCANA witnesses admitted that the rates have increased 16.8% since 2008. How can the Commission agree to allow this misuse of the utility's customers to continue?

I move that there be a permanent “cap” placed on the rate increases tied to the nuclear reactor construction from this point. That “cap” needs to be placed now, with the rates they are receiving at this point being the last SCE&G will receive from their ratepayers, with no exceptions. The utility customers need to be protected.

Construction costs have sky rocketed beyond the original projected costs and at that point, SCE&G/SCANA should have been held to those costs and, therefore, should have been held to the rate increases at that point as well. Anything over that amount should be placed on the utility, and its investors, be it interest rates or owner costs.

The Amendment Contract is supposed to clarify the construction from here on out, but there are blatant loopholes that will make this Amendment Contract impossible to enforce. Many of the statements in this new Amendment Contract are obviously ambiguous with openings for change that are not being dealt with in a logical, nor legal manner by SCE&G/SCANA.

Several of the witnesses on the stand were evasive and noncommittal when asked direct questions about the eventual costs of the construction going forward as well as added costs to the ratepayers if this construction continues unabated.

Mr Marsh was evasive in direct questioning about defending and supporting the
ratepayers from disputes related to construction errors that have already occurred at the construction site. He continually referred to the errors as “challenges on the construction site” and “a number of issues”. Transcription Volume 1 Pages 101 and 102 lines 3-25 and 1-7. Mr. Marsh was unwilling to directly answer that his company was not willing to protect it's customers.

Mr. Kochems evasively admitted that the disputed costs, that included construction errors $CE&G/SCANA obviously felt should not have been paid by SCE&G/SCANA, were not being handled in a prudent manner. In the Transcript Volume 4 of 4 Page 862 lines 3-9 Mr. Kochems admitted that 90% of the outstanding disputed costs were not paid by Westinghouse, but by SCE&G/SCANA and, ultimately, by ratepayers.

What proof can there be that the construction from this point on will be any better or have fewer construction errors than has happened to date? Only Company names have changed, in my opinion, to confuse the issues. The fact that Fluor is now in charge of construction, instead of CB&I, does not mean that the craft labor, who were making the construction errors to this point, will not continue to make more construction errors. The same craft labor are on the site that have been there from the start.

What would give the Commissioners any idea that the past complications will not happen again and again? These things need to stop now. The Commission is in a position to do this 1.) by stopping the build in its tracks before any more Billions of dollars (2007 or current dollars) are thrown into this money pit that has had no obvious control, OR 2.) the Commission has the power to stop allowing the rate increases if the utility insists on continuing the construction. Simply putting these increases on the backs of the investors is one solution.

By being evasive, SCE&G/SCANA are not being honest with the PSC. This could be called “lying by omission”. How can the Commissioners make definite decisions about matters that the company's witnesses are not willing to directly answer for?

The commission has the power to instruct SCE&G/SCANA to use their profits, instead of increasing rates from here on out, if SCE&G/SCANA wishes to continue construction.
SCE&G/SCANA have not honestly looked into the costs or benefits of solar power. In questioning Dr. Lynch, I was told that solar energy cannot be used as a base load energy source because when the sun goes down the energy stops, but the ridiculous part of that statement is that even with the two new nuclear plants, there are no plans to totally shut down every other energy source in the state and just use nuclear!

Mr. Kochems stated in Vol4 page 872 starting at line 15 that wind and solar are intermittent and costly. Costs of solar farms are coming down every day. Why would South Carolina close down all other sources of energy simply because we are using solar fields? That would be ridiculous! Solar is renewable, it is cost effective, and South Carolina has ample supply of sunshine! South Carolina needs to be a force for promoting solar energy. Why are we not doing this?

It is possible, with honest studies, that solar energy would be so much more inexpensive to construct than these nuclear reactors that are so very far over-budget already and only 80% finished after all this time and money! It is obvious that SCE&G/SCANA are not really interested in proving solar as the inexpensive energy that it really is. Solar has very little upkeep and once it is up and running, there is no expense. And one of the major points is, it doesn't cost to keep it going nor does it produce any waste.

It is possible that the projected $3.8 Billion, to continue the nuclear build from here on out, could build enough solar fields to more than adequately supply the energy SCE&G/SCANA professes from the nuclear plants. And one needs to remember, solar energy produces NO nuclear waste! NO waste at all!!

SCE&G/SCANA continually refuses to fully discuss the fact that these plants create a deadly waste, a waste that will HAVE to be dealt with! Nuclear plants produce waste that has to be "processed", that has to be "made as safe as possible", and that has to be "stored" from now to forever! It's a fact! The nuclear waste these plants do and will produce is never going to be inert! The nuclear waste will never stop being produced unless the plants are shut down. The nuclear waste will always be a cost to the ratepayers, because we all know that when these plants come online, the ratepayers will be the ones forced to pay for the waste, by including all costs involved in making it "acceptably safe" and in the costs to store!
Of the transcripts Vol 3 page 540 lines 1-5, Mr. Byrne states, “So prior to this year, every assembly that we had ever used at Unit 1 was in our wet storage pools. So, this year, we completed construction of a dry storage pad, and we transferred 4 casks' worth of assemblies to that dry fuel pad, and each cask has 37 assemblies in it.” Did SCE&G/SCANA come before the Commission to acquire permits these “pads” being built at Unit 1? How safe are they?

Vol 3 page 541 lines 8-10 Mr. Byrne states, “We're not asking for any money for spent fuel platforms in this proceedings, or under the BLRA.” He was speaking of platforms built or being built at the Unit 1 site. This, however, leaves them wide open to come before the Commission to do so, in regards to the Unit 2 and Unit 3 site, at a later date. This means more costs related directly to this construction in the future.

These costs need to be assessed! Nuclear waste from these plants should have been figured into the costs of building these units from the start. This needs to be dealt with as part of the construction. And the waste issues need to be dealt with now, before this build goes any further. This cannot wait until the plants are online!

When Coal facilities were built, wasn't the waste and ash disposal part of the cost of building them? Weren't there regulations for emissions that had to be dealt with as part of the construction? Why has the nuclear waste of these plants not been part of the construction plans and costs right from the start? These costs would make the price of these nuclear reactor units unacceptable! These costs were purposely omitted from construction for that reason. The Commissioners need to consider this now, it's not too late!

CITIZENS SPEAKING

Several citizens came before the Commission declaring how hard the increased rates have effected them. What the Commission need to be aware of is...these few that took the time off from work, or made an effort to come to this meeting are only the tiniest tip of the iceberg of people who cannot bear the burden of these inexcusably high rates.

You, as Commissioners, need to remember that the investors in this project are using “free” money or money that they can afford, by choice, to place in this investment. The ratepayers, however, are, by majority, the least able to afford putting up money for any company to use in order to increase the company's profit
Especially, since the ratepayers will receive nothing in return for their money.

The ratepayers are not paying these increases by choice. These citizens, who came before you, tried to help you understand that the investors are going to get a return on the money they are investing, but, no matter what kind of spin SCE&G/SCANA puts on this, the ratepayers are NOT going to ever get a return on the money they are paying now, nor on any of these rate increases that have been placed on the ratepayers up to this point.

The Commissioners know that SCE&G/SCANA has come before the PSC on numerous occasions to request cancellation of several ratepayers' electricity, and you have granted SCE&G/SCANA their requests. I have attended several of these meetings myself. You have heard SCE&G/SCANA representatives describe to you that customers have told SCE&G, themselves, repeatedly that the bills were too high for the customer to pay. Can you not see, that these people who can't pay the electric bill are not deadbeats? These people are trying so hard to make ends meet, and, unlike the investors and CEO's of SCE&G/SCANA (making anywhere from $2 to $5 million a year), these citizens are working hard for very little money, and these rates are pushing them over the limit.

Why are the investors not paying the interest on the construction of these units? This construction is their investment. This construction is going to make the investors and SCE&G/SCANA huge profits when it is complete, that is why they "invested" in them. These investors CHOSE to invest in this construction. These investors were willing to put up their money for the risk of making these units. For the risk of making profits.

Why are the ratepayers the ones taking the brunt of the costs? Why are the ratepayers being forced to pay these rates with no choice and no return on their money?

Extortion is a legal term meaning "the practice of obtaining something, especially money, through force or threats." Extortion is a criminal offense of obtaining money, property or services through coercion. Threat of cancellation of services, with no other options, is coercion.

I believe extortion is what SCE&G is doing to it's customer base! The ratepayers are forced to pay higher electric rates for the construction of these nuclear reactor units with no choice to say no, or even to change providers. If the ratepayers were to say no, their service would be, and has been, disconnected. The electricity service is cut because the rates placed on the ratepayers is for interest on
an investment property, not electric service, that has nothing to do with the rate increases for the nuclear units. Forced to pay higher rates with no improvement in their service now, and no benefits to them at all.

The customers now are paying out money for the nuclear reactors in Jenkinsville by coercion. The ratepayers are receiving nothing in return for these extra charges they are being forced to pay. There will be no time in the future that those paying these fees now will ever see any benefits from these charges. Their fees are being called payment for interest in the investment, but those who pay interest on any investment will, in the end, have a share in the investment, that they will receive a return on the money they have paid in. That is not the case in this maneuver that SCE&G has worked the PSC into. By using the Base Load Review Act, SCE&G/SCANA are receiving free money to pay the interest on an investment they will ultimately reap great profits from and never have to look back at the ratepayers who have made this possible.

BASE LOAD REVIEW ACT
There needs to be an unbiased investigation into the validity of the use of the Base Load Review Act in regards to this build. There has been no study, other than that provided by SCE&G/SCANA themselves, that validates this site and the construction of these two nuclear reactors at this site at the start of this construction in 2008 or before. The study needs to relate to the site and the build at the time these two units were proposed for this site, from 2008 or before. The study should not include any changes that may have been made to alter the build to fit the Base Load Review Act since the start of the construction. That study and investigation has yet to be preformed.

SETTLEMENT AGREEMENT
The Commission needs to be mindful that Westinghouse nor the Toshiba Company has signed the Settlement Agreement that was brought into the proceedings. The Settlement was only between some of the intervenors and SCE&G/SCANA. Therefore, Westinghouse nor Toshiba is liable for the promises given in that Settlement.

Anything that SCE&G/SCANA offers in the Settlement really has no bearing on the Amendment and Westinghouse.

The Commission needs to be mindful that there was no guarantee anywhere in the Settlement nor the Amendment Contract.

The Commission, also, needs to be mindful that Toshiba has signed nothing
that guarantees they well stand behind Westinghouse should Westinghouse decide that the losses they could, and likely will, accumulate through to the finish of this build would turn out to be more than anticipated and Westinghouse wants out.

The Commission should be mindful that disputes in the past with SCE&G/SCANA and Westinghouse have not produced good results for ratepayers. SCE&G/SCANA did not lose anything in the “negotiations” they were holding with Westinghouse. Only the ratepayers were losing, in that the ratepayers were still paying for the construction errors and the costs involved in those errors and still are paying for them. SCE&G/SCANA simply gave up on recovering those costs by terming them as “agreement negotiations”. SCE&G/SCANA proved they are unwilling to risk their own money in litigation when they refused to litigate for fear of losing their own money. The ratepayers could not be held liable for costs resulting from a loss through litigation. However, the ratepayers could have benefited from a litigation win if SCD&G/SCANA had won. But, by not going into litigation with the Consortium, SCE&G/SCANA simply left the liability on the ratepayers.

Therefore, it is reasonable to believe that any future disputes will be dealt with in the same manner, even though a dispute resolution committee has been invented.

There is no guarantee that this Dispute Resolution Committee (DRC) will resolve any disputes any better than the disputes in the past have been resolved. It seems the three people on the committee would not be unbiased in making decisions regarding: construction error costs, schedule delays, liability for such errors and delays, upon whom those costs would ultimately be placed (by re-titling them and designating liability), etc. All of the DRC are lawyers and not engineers or physicists, and would have no professional knowledge of what is correct or not.

As I mentioned earlier in this document, there is a statement in the Settlement Agreement that suggests SCE&G/SCANA will not file any modification requests with the Commission until after January, 28, 2019. This statement is in the Settlement Agreement and NOT in the Amendment Contract with Westinghouse. This statement also includes areas of exclusions. SCE&G/SCANA admits they may seek “recovery through revised rates for Commission-approved costs prudently incurred. The Settlement Agreement also professes that the moratorium will be revoked should a revised rates request be denied due to SCE&G’s adherence to the modification moratorium. This sounds very much like a threat.

This Settlement puts off rate increases, as well as bonus incentives pledged
to Westinghouse, until January 2019, at which time all of these increases would again fall upon the ratepayers.

Again, this Settlement Agreement is with SCE&G/SCANA and a few of the intervenors, but does not include Westinghouse, therefore, how can any promise of delay on pledged bonuses to Westinghouse be included in this agreement?

**It is very important to note** that, in the Settlement Agreement page 13 paragraph 17, SCE&G/SCANA is attempting to replace and supersede Order No 2015-661, which would again change an order with a settlement that does not include Westinghouse. The Commission should view all parts of Order No. 2015-661 and compare the open-ended Settlement Agreement. What is possibly hidden between the lines? What may the Commission “accidentally” agree to by allowing this change to take place?

**THE SETTLEMENT AGREEMENT AND THE ORS**

The Commissioners should keep in mind at all times that this Settlement Agreement signed by several of the intervenors, the ORS, and SCE&G does not have any bearing on Westinghouse and their commitment to this construction. Westinghouse was not present nor did they sign anything to do with this Settlement.

The Settlement Agreement (pgs 10/22 and 11/22) refers to costs relating to the Amendment. Again, Westinghouse has not signed this Settlement Agreement. And again, in this part of the Settlement Agreement, SCE&G refers to “excluding certain” values.

By signing this Settlement Agreement, the ORS has tied it's own hands.

The Settlement Agreement forced the ORS to not be able to question the witnesses for SCE&G about this Settlement Agreement AND the prefilled testimony and exhibits presented in Docket 2016-223-E. Thereby, making any objection with the Amendment Contract with SCE&G and Westinghouse open with no objections! Again, Westinghouse is not a signer of the Settlement Agreement.

How can the ORS represent the public interest, or advise the PSC, if they sign this document that ties them to the Amendment when Westinghouse was not involved in the Settlement?

The Settlement Agreement, pg 5/22 states that Settling Parties agree to no other evidence can be offered by them other than the Stipulated Testimony unless it directly supports the Settlement Agreement. In other words, the ORS can not
voice any objections to anything even if they discover something terribly wrong! It must be remembered, as well, that the ratepayers are NOT signatories of this Settlement Agreement.

The Settlement Agreement (pg 6/22 section B item3) ORS agrees not to contest the inclusion of costs that at the time of the signing of this Agreement were not concrete. Therefore, ORS cannot contest them no matter how much they turn out to be.

The Settlement Agreement uses ambiguous terms such as “the latest available data”, “not final proposals”, and “the Company may update costs associated with these Change Orders in future BLRA proceedings”. (Settlement Agreement page 7/22)

The Settlement Agreement stipulates (pg8/22 section B item 8) that BLRA-approved capital cost schedule isn't included “at this time” because they are “not yet well known” and have “not yet been determined”. That these costs may be included in “future BLRA proceedings”.

These types of ambiguous statements continue throughout the document and allow for misuse of ratepayers and their money in the future. And because the ORS has signed this paper, the ORS has agreed not to comment nor contest anything related to these costs in the future. This is not consistent with the ORS mission: “To represent the public interest in utility regulation by balancing the concerns of the using and consuming public, the financial integrity of public utilities, and the economic development of South Carolina.

The Office of Regulatory Staff (ORS) is charged with representing the public interest of South Carolina in utility regulation for the major utility industries before the Public Service Commission of SC, the court system, the SC General Assembly, and federal regulatory bodies. By signing this document the ORS has, in essence, gagged themselves from any further investigations into these issues.

On page 15, of the Settlement Agreement, is the statement that accepting this settlement would cause the signing parties to be unable to take a contrary position in any future proceeding.

The Settlement Agreement only gives the ORS or any signatories a means of withdrawing on page 15. Any Party may withdraw from the Settlement Agreement without penalty if (i) the Commission does not approve this Settlement Agreement in its entirety; (ii) An appellate court does not affirm in all respects the Commission's order approving this Settlement Agreement in its entirety; (iii) the Commission or an appellate court does not affirm or apply the
provisions of this Settlement Agreement in future proceedings while it is in force. If a Party elects to withdraw from the Settlement Agreement pursuant to this paragraph, then the provisions of this Settlement Agreement will no longer be binding upon the Settling Parties.”

1st MOTION

I would move that the Commission do whatever is in their power to remove the signature of the ORS from the Settlement Agreement on the grounds that signing of this Settlement Agreement by the ORS would limit the ORS' legal obligation to protect the citizens of the state of South Carolina.

2nd MOTION

I would move that the Commission request the ORS preform an investigation into the validity of the BLRA with the Jenkinsville nuclear reactors based on the 2008 proposal brought before the Commission, not with any changes that may have been made to the site now in order to comply with the BLRA from 2008 after the fact. The ORS would not be in breach of the Settlement Agreement in this case. This investigation would not be against the construction in Docket 2016-223-E.

3rd MOTION

I would move that the Commission remove the rate increases, directly related to the Jenkinsville nuclear reactor build placed on ratepayers, until after the above Motion 2 investigation, concerning the validity of the BLRA, is completed.

4th MOTION

I would move that the Commission place a “cap” on rate increases related to the Jenkinsville nuclear reactor build until after the above Motion 2 investigation is completed, in lieu of removal of the increases entirely as referred to in Motion 3.