

SC nuclear debacle: a timeline

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Body

IT WAS REASONABLE, at the start of this century, to believe that our nation needed a new generation of nuclear reactors and that South Carolina needed to get in the game, to provide a steady, reliable source of power for a burgeoning economy. But over the course of more than 13 years, the SC Legislature, SCE&G parent company SCANA and Santee Cooper made a series of decisions that in retrospect seem at best ill-advised and at worst ... well, time will tell what at worst could mean.

The result is that \$11 billion has been spent (more than \$2 billion by ratepayers, \$9 billion by SCE&G and Santee Cooper, which will have to recoup those costs from ... someone) on what are now essentially two giant mounds of concrete at the VC Summer nuclear facility in Fairfield County.

The following timeline traces this slow-motion disaster from a pro-utilities law the Legislature passed in 2004 to today. Thanks to reporter Sammy Fretwell, who shared with me a timeline he had been compiling, much of which I incorporated into my own.

Feb. 12, 2004: SC General Assembly passes S.208, creating the Office of Regulatory Staff to replace the state consumer advocate in representing the interests of the public in utility rate cases before the Public Service Commission. The office is required to balance the interest of ratepayers against the "preservation of the financial integrity of the state's public utilities."

SC nuclear debacle: a timeline

May 25, 2005: SC General Assembly overrides governor's veto of S.573, which makes it nearly impossible for governors to remove members of the Santee Cooper governing board.

April 19, 2007: SC General Assembly passes S.431, the Base Load Review Act, which makes it easier for utilities to raise rates to pay for nuclear reactors while they are under construction and easier to charge ratepayers for their investments in plants they do not complete. The bill becomes law on May 3 without Gov. Mark Sanford's signature.

May 27, 2008: SCE&G and Santee Cooper announce plans for \$9.8 billion nuclear expansion project at the VC Summer plant in Fairfield County. SCE&G would pay \$5.4 billion for construction, Santee Cooper \$4.4 billion.

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May 30, 2008: SCE&G asks the Public Service Commission to approve the first of multiple rate increases to help fund the nuclear project. (Because Santee Cooper is a state agency, the PSC does not have to approve its plans.)

Oct. 27, 2008: The Office of Regulatory Staff recommends approval of the nuclear project, saying SCE&G showed a need for extra capacity, the AP 1000 reactor design was a good one and more nuclear would allow for stable fuel costs. October 2008: The Public Service Commission gives permission for SCE&G to begin site work.

February 2009: PSC approves SCE&G's nuclear expansion plan, which calls for construction to begin in 2012, fuel to be loaded into the first reactor in 2015, the first reactor to begin operation in 2016 and the second reactor to begin operation in 2019.

Dec. 31, 2011: SCE&G reports that progress has been delayed because of the need to redesign nuclear modules, as well as "production issues" and "manpower issues."

March 30, 2012: US Nuclear Regulatory Commission issues construction and operating licenses for the two reactors.

June 6, 2013: SCE&G warns of delays of up to a year because of problems with parts being built in Louisiana; says first reactor completion could be delayed until late 2017 or early 2018.

May 2014: Santee Cooper asks SCE&G to hire an outside company to oversee project management.

Oct. 2, 2014: Contractors say it will cost \$1.2 billion more than expected to complete the reactors.

Oct. 22, 2014: SC Supreme Court rejects legal challenge to SC Base Load Review Act.

October 2015: SCE&G replaces original consortium of contractors with Westinghouse Electric, which agrees to cap at \$7.7 billion the remaining cost customers would have to pay for construction. Any remaining costs would be Westinghouse's responsibility.

October 2015: SCE&G and Santee Cooper revise completion dates to 2019 and 2020.

SC nuclear debacle: a timeline

Feb. 5, 2016: Bechtel Report, commissioned by SCANA and Santee Cooper, details failures by prime contractor Toshiba/Westinghouse as well as the utilities' insufficient oversight of the project.

June 14, 2016: SCE&G asks the PSC to approve an \$852 million increase in construction costs. SCE&G says that fixes the reactors' cost in place. A later settlement agreement with contesting parties reduces the increase to \$831 million.

June 28, 2016: SCE&G asks for its ninth rate increase under the Baseload Review Act. A residential bill for 1,000 kilowatts would cost \$148 per month, up from \$107 in 2009.

Nov. 9, 2016: Public Service Commission approves settlement agreement among SCE&G, Office of Regulatory Staff and other parties, while approving a fixed price on the project and the later completion dates. Agreement says SCE&G's total cost would be fixed at \$7.7 billion.

March 29, 2017: Westinghouse files for bankruptcy. SCE&G, Santee Cooper and Westinghouse reach agreement that allows construction to continue while the power companies assess the project's future.

April 2017: Westinghouse parent Toshiba says it is in financial trouble as a result of its nuclear business. SCE&G says in legal filing that "there is no assurance that Toshiba will fulfill its payment guaranty obligations."

July 31, 2017: Santee Cooper and SCE&G announce they are abandoning work on the nuclear project; the following day, SCE&G files an abandonment petition, which asks the PSC to let it charge ratepayers for up to \$4.9 billion it has spent on the project.

Aug. 9, 2017: Office of Regulatory Staff files a motion to dismiss SCE&G's abandonment petition.

Aug. 11, 2017: Santee Cooper board votes to scrap already-approved rate increases for 2018 and 2019.

Aug. 15, 2017: SCE&G withdraws its abandonment petition but makes clear this is only to give legislators and regulators longer to study the situation, and that it will refile the petition later.

Aug. 22, 2017: Special SC Senate committee holds its first hearing on the failure of the nuclear project.

Aug. 23, 2017: Special SC House committee holds its first hearing on the failure of the nuclear project. House Speaker Jay Lucas calls on Regulatory Staff Director Dukes Scott to resign; Gov. Henry McMaster says he will not accept a resignation from Mr. Scott.

Aug. 25, 2017: Santee Cooper CEO Lonnie Carter announces his retirement.

Sept. 4, 2017: Santee Cooper gives Gov Henry McMaster a copy of the secret 2016 Bechtel report, commissioned by the two utilities, that details their insufficient oversight of the project.

More information

Here are some other pieces I've written about this that you might find helpful:

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SC nuclear debacle, by the numbers

These are the people who brought us the SCE&G/Santee Cooper nuclear debacle

Here's who voted to give SCE&G a blank check

Santee Cooper's role in SC nuclear debacle looks worse by the day

Does anyone at Santee Cooper remember who Santee Cooper works for?

Carter's departure doesn't fix the problems at Santee Cooper. These 2 changes could.

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SCE&G nuclear fiasco: It's complicated. Here are some explanations.

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