



OFFICIAL COPY

Lawrence B. Somers
Deputy General Counsel

Mailing Address:
PEB 20 / P.O. Box 1551
Raleigh, NC 27602

o: 919.546.6722
f: 919.546.2694

bo.somers@duke-energy.com

August 8, 2013

FILED

AUG 08 2013

Clerk's Office
N.C. Utilities Commission

VIA HAND DELIVERY

Gail L. Mount
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

Re: **Duke Energy Carolinas, LLC's Report of Nuclear Development
Activities and Expenditures for the period January 1, 2013 through
June 30, 2013
Docket No. E-7, Sub 819**

Dear Ms. Mount:

Pursuant to the ordering paragraph 4 of the Commission's August 5, 2011 *Order Approving Decision to Incur Limited Project Development Costs*, I enclose for filing in the above-referenced proceeding the original and thirty-one (31) copies of the Report of Preconstruction Costs for Lee Nuclear Station Project Development Activities for the period January 1, 2013 through June 30, 2013.

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,

Lawrence B. Somers

Enclosures

SD
AG
7 Comm
Watson
Green
Conrad
Duffley
Hosner
Sessoms
Kirk
Hilburn
Ericson
Jones
Hodge
Ayers
3-ps Legal
3-ps Acctg
2-ps ECRs
3-ps Elect

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Report of its Nuclear Development Activities and Expenditures in Docket No. E-7, Sub 819 has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to the following parties of record:

Antoinette R. Wike, Esq.
4326 Mail Service Center
Raleigh, NC 27699-4326
Antoinette.wike@psncuc.nc.gov

Margaret A. Force
Department of Justice
Post Office Box 629
Raleigh, NC 27602-0629
pforce@ncdoj.gov

Robert F. Page
Crisp, Page & Currin, LLP
4010 Barrett Drive, Suite 205
Raleigh, NC 27609
rpage@cpclaw.com

John D. Runkle
Post Office Box 3793
Chapel Hill, NC 27515-3793
jrunkle@pricecreek.com

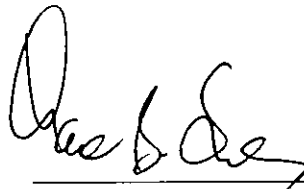
Wells Eddleman
811 Yancy Street
Durham, NC 27701-3151

Sharon Miller
CUCA
1708 Trawick Road, Suite 210
Raleigh, NC 27604
smiller@cucainc.org

Kevin C. Greene
Brandon F. Marzo
Troutman Sanders, LLP
Bank of America Plaza, Suite 5200
600 Peachtree Street
Atlanta, GA 30308-2216
Kevin.greene@troutmansanders.com
Brandon.marzo@troutmansanders.com

Ralph McDonald
Bailey & Dixon
Post Office Box 1351
Raleigh, NC 27602-1351
rmcdonald@bdixon.com

This the 8th day of August, 2013.



Lawrence B. Somers
Deputy General Counsel

July 29, 2013

FILED

AUG 08 2013

Clerk's Office
Nuclear Regulatory Commission

**NCUC Report Preconstruction Costs for Lee Nuclear Station Project Development
Activities January 1, 2011- June 30, 2013**

Task Description	01/01/2011- 12/31/2012	01/01/2013 - 06/30/2013	01/01/2011- 06/30/2013	Project Totals to Date
COLA Preparation	\$0	\$0	\$0	\$27,426,317
NRC Review & Hearing Fees	\$31,191,468	\$6,125,674	\$37,317,142	\$91,011,285
Land and Right-of-way Purchases	\$1,163,486	\$32,146	\$1,195,632	\$44,261,504
Pre-construction and Site Preparation	\$17,813,635	\$2,314,159	\$20,127,794	\$41,632,222
Supply Chain, Construction Planning, and Detailed Engineering	\$17,720,978	\$6,963,679	\$24,684,657	\$46,914,504
Operational Planning	\$2,144,075	\$672,958	\$2,817,033	\$4,368,639
AFUDC	\$41,090,666	\$13,031,604	\$54,122,270	\$93,091,311
Total	\$111,124,307	\$29,140,220	\$140,264,527	\$348,705,783

The activities included in each category are as follows:

COLA Preparation – includes Duke labor, expenses and contract support for preparation of the Combined Construction and Operating License (COL) Application tendered to the Nuclear Regulatory Commission (NRC) on 12/13/07. The NRC determined the application was suitable for review and docketed the application on 02/25/08.

NRC Review and Hearing Fees – includes the cost of the NRC review fees, Duke labor and expenses, contract labor and legal support required to support the NRC review of the Lee Nuclear Station COL application, and preparation for the Advisory Committee on Reactor Safeguards Subcommittee Hearing. Category also includes interactions with South Carolina Department of Health and Environmental Control (SCDHEC) and the US Army Corps of (USACE), as required to move the environmental permit applications forward.

July 29, 2013

Land and Right-of-Way Purchases – includes the purchase of land required for the Lee site and rail right-of-ways. Category also includes cost of purchasing additional land for a supplemental cooling pond in event of severe drought as well as costs for surveying the selected transmission right-of-way.

Pre-construction and Site Preparation – includes site activities to prepare the site for construction. Site preparation activities included: dewatering and cleanup of the excavated area, site remediation activities required to identify and properly dispose of hazardous wastes, and costs associated with the demolition and removal of unusable structures. Necessary maintenance of existing rail bed and required Make-up Pond B spillway repair were completed. Engineering of offsite infrastructure for potable water, sewer, and rail spur; and, geotechnical evaluations (needed for engineering) have been completed. Engineering for bringing communications to the site is also included in this category. Other activities such as: and engineering of necessary traffic improvements are also being completed. Ongoing and continuing activities include: site security, utilities and miscellaneous site maintenance.

Supply Chain, Construction Planning and Engineering – includes activities associated with working with the supplier to negotiate an Engineering, Procurement and Construction (EPC) agreement. Negotiations in 2008 did not result in an executed contract. Conceptual site specific engineering and construction planning activities necessary to develop a complete project definition are included in this category. Continuing construction planning activities serve to further develop construction plans and keep the construction plans in line with latest engineering. Detailed site specific engineering began in January, 2011, and continues through 2013. Commercial building design activities started in June 2012.

Operational Planning – includes activities associated with operator and plant staff training, including costs associated with the Knowledge and Abilities Catalog, required for operator license examinations for AP1000 plants, and the standardization of the nomenclature in the Westinghouse Master Equipment List (MEL). Continuing activities include: supporting operations program development, such as Quality Assurance (QA) Program, and the review of approximately 500 procedures. The training materials, operational programs, and operating procedures are all being developed in concert with other AP1000 utilities within the APOG framework. The *Operational Planning* category also includes generation of administrative procedures that must be in place upon receipt of COL from NRC.