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August 1, 2011

FILED

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Clerk's Office
N.C. Utilities Commission

Ms. Renné C. Vance, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

RE: Duke Energy Carolinas' Report of Nuclear Development Activities and
Expenditures for the period January 1, 2011 through June 30, 2011
Docket No. E-7, Sub 819

Dear Ms. Vance:

Enclosed on behalf of Duke Energy Carolinas, LLC ("Duke Energy Carolinas"), pursuant to ordering paragraph 3 of the Commission's June 11, 2008 *Order Approving Decision to Incur Project Development Costs*, are the original and thirty (30) copies of Duke Energy Carolinas' Report of Nuclear Development Activities and Expenditures for the period January 1, 2011 through June 30, 2011, for filing in connection with the referenced matter.

Thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact me directly.

Sincerely,

Robert W. Kaylor

Robert W. Kaylor

cc: Parties of Record

Am
AG
7comm
Watson
Green
Hoover
WHE
Hilburn
Jones
Sessums
Ericson
Hodge

Gruber
DPSEC
3 PS Legal
3 PSACCT
3 Pselect

Duke Energy Carolinas' Report of Lee Nuclear Station Activities and Expenditures
Docket No. E-7, Sub 819
January 1, 2011 through June 30, 2011

Task Description	Previous thru 12/31/2010*	This Period 01/01/2011 - 06/30/2011	Total Project Totals to Date
COLA Preparation	\$27,426,317	\$0	\$27,426,317
NRC Review & Hearing Fees	\$53,694,143	\$6,765,239	\$60,459,382
Land and Right-of-way Purchases	\$43,065,872	\$33,085	\$43,098,957
Pre-construction and Site Preparation	\$21,504,429	\$2,438,649	\$23,943,078
Supply Chain, Construction Planning, and Detailed Engineering	\$22,229,847	\$2,948,151	\$25,177,998
Operational Planning	\$1,551,606	\$312,101	\$1,863,707
AFUDC	\$38,969,041	\$8,779,507	\$47,748,548
Total	\$208,441,255	\$21,276,732	\$229,717,987

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 December 13, 2007. The NRC determined the application was suitable for review and docketed the application on February 25, 2008.

NRC Review and Hearing Fees – includes the cost of the NRC review fees, and Duke labor and expenses, contract labor and legal support required to support the NRC review. Also included are Duke labor, expenses, and contract costs associated with the preparation and application for environmental permits in support of COL application.

Site Evaluation –includes the evaluation performed to select the former Cherokee site in Gaffney, SC for the proposed Lee Nuclear Station.

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

Pre-construction and Site Preparation – includes site activities to prepare the site for construction. Initial site preparation activities included: dewatering and cleanup of the excavated area; site remediation

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activities required to identify and properly dispose of hazardous wastes and other costs associated with the demolition and removal of unusable structures, site security, utilities and minor miscellaneous site maintenance. Continuing activities include engineering for bringing water, sewer and railroads to the site, as well as planning and engineering of necessary traffic improvements.

Supply Chain, Construction Planning and Engineering – includes activities associated with working with the supplier to negotiate an Engineering, Procurement and Construction agreement. Also included were conceptual site specific engineering and construction planning activities necessary to develop a complete project definition. 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.

Operational Planning –includes activities associated with operator and plant staff training and procedure development.

*Please be advised that previous period costs, incurred through December 31, 2010, shown in this report, vary slightly from the February 1, 2011 report to North Carolina Utilities Commission due to minor internal accounting adjustments. The total AFUDC and the project total costs through December 31, 2010 are not affected by the adjustments and remain exactly the same as previously reported in February 2011.

With work complete and its overall small cost impact, the “*Site Evaluation*” task has been incorporated into the “*Land and Right of Way*” task.

CERTIFICATE OF SERVICE

DOCKET NO. E-7, Sub 819

I certify that a copy of Duke Energy Carolinas' Report of Nuclear Development Activities and Expenditures for the period January 1, 2011 through June 30, 2011, was sent by regular U. S. mail to all parties listed below:

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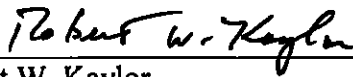
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This the 1st day of August 2011.



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