# Duke still on fence on new reactor

## Utility seeks OK to spend another $229 million on project near Gaffney

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Duke Energy Corp. has asked regulators for permission to spend another $229 million on pre-construction work for a proposed nuclear plant near Gaffney.

But the Charlotte-based company that provides most of the Upstate's electricity still hasn't committed to building the Lee Nuclear Station.

With an estimated cost of $11 billion, Duke's third nuclear plant in South Carolina would be the most-expensive construction project in the company's history.

It would create a lot of jobs along the Interstate 85 corridor, but Duke spokeswoman Rita Sipe said the company still lacks answers to important questions. Those include whether other power companies will partner with Duke in the project, whether Congress will put a price on carbon emissions and when the economy and demand for power will rebound.

"There are many variables that are, and will continue to be, considered as we move forward with this project and will factor into our decision to build," Sipe said.

Duke also doesn't know whether the federal government will provide a loan guarantee for the project or whether North Carolina will join South Carolina in letting it charge ratepayers for financing costs without having to go through a cumbersome rate case.

For now, Duke has asked

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## REACTOR

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North Carolina regulators for permission to spend another $229 million on preconstruction work, for a total of $459 million through 2013, when the company hopes to get a combined construction and operating license from the Nuclear Regulatory Commission.

Duke would spend the money on licensing work, land and right-of-way purchases, engineering and other tasks, according to a recent filing with the North Carolina Utilities Commission.

The company is expected to make a similar filing in South Carolina, according to Dukes Scott, executive director of the Office of Regulatory Staff in Columbia.

Construction would begin on the two-reactor, 2,234-megawatt plant in 2014, and the plant would start generating power seven years later, according to Duke's current timetable.

Duke figures construction would employ as many as 2,000 workers at its peak, and it would need between 400 and 700 full-time employees to operate the plant once it's built.

For Jim Cook, economic development director in Cherokee County, Duke can't break ground fast enough. The company announced the location in 2006.

"We're working with Duke, and we've done everything we can do, and now we're waiting," Cook said.

Cherokee County's unemployment rate was 12.7 percent in October, two percentage points higher than the South Carolina average, according to the latest data from the Department of Employment and Workforce.

Duke's Oconee Nuclear Station, built on 1973 on the shores of Lake Keowee, shows how big the economic impact can be.

The three-reactor plant in Oconee County was responsible for 2,280 direct and indirect jobs in 2002, according to a study by the Nuclear Energy Institute, an industry group. The plant's payroll that year totaled $110.3 million, and its economic activity generated another $25.3 million in employee compensation in the counties of Oconee, Anderson, Pickens and Greenville, the study found. In addition, Duke paid $9.7 million in property taxes to Oconee County that year.

Duke also sees nuclear power as providing another benefit for economic development.

The company said in the filing with North Carolina regulators that its rates are 20 percent to 30 percent lower than the national average in part because of the relatively low operating costs of its existing nuclear plants in Oconee and York counties and Mecklenburg County, N.C.

"Low electricity rates give our region a competitive advantage in attracting new jobs and businesses," Duke said. The company increased residential rates in South Carolina nearly 10 percent last year.

Duke also said in the filing that nuclear is the best option for long-term baseload generation "under all scenarios analyzed."

"Nuclear generation is the only viable baseload generation option that has no carbon dioxide and other greenhouse gas emissions during the production of electricity," Duke said.