



State of South Carolina

Office of the Governor

MARK SANFORD
GOVERNOR

Post Office Box 12267
COLUMBIA 29211

August 22, 2005

Ms. Marilyn C. Kray
President
NuStart Energy Development, LLC
200 Exelon Way
M/S KSA 3-N
Kennett Square, Pennsylvania 19348

Dear Ms. Kray,

I am writing to express my support for constructing a new commercial nuclear reactor at the Savannah River Site (SRS) in Aiken, South Carolina. As you know, South Carolina currently has seven nuclear reactors generating more than half the state's electricity, making us the third largest producer of nuclear power in the United States.

This proposal offers two very significant opportunities for South Carolina. First, a commercial reactor would provide us with a new energy production facility that does not increase the air emissions in ways that traditional coal firing plants do. Second, with the continuing increased costs of fossil fuels and rising energy prices, alternative power production, such as the proposed reactor can help ease the costs our citizens and businesses bear for energy costs.

For example, commercial nuclear energy enjoys the lowest production cost of all base-load electricity generating technologies. In 2004, South Carolina's emission-free nuclear power generation avoided the production of 320,600 tons of pollutants that cause acid rain and smog, as well as avoiding 47.2 metric tons of carbon dioxide that causes global warming. As our state grows, establishing future nuclear capability can assist in keeping our emissions down for years to come.

As a result, we are encouraged by NuStart's selection of the SRS as a candidate site for its Licensing Demonstration project, and we are hopeful the SRS will be one of two final sites selected for a new commercial reactor later this fall. In addition to the SRS, South Carolina has a variety of assets that could provide necessary support functions for a new reactor. For example, the Savannah River National Laboratory has a long history of providing applied nuclear research

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and development technologies to the industry. Moreover, the Westinghouse Fuel Plant in Columbia fabricates nuclear fuel assemblies used in light-water reactors. Finally, South Carolina's research institutions such as Clemson University, the University of South Carolina, and South Carolina State University are working aggressively on the emerging hydrogen economy which is directly linked to new reactor designs.

We understand that lessening our dependence on foreign sources of energy is an issue much larger than the SRS or South Carolina. In conjunction with this proposal, this Administration would also like to see incentives for reducing energy demands in the home and workplace by developing and using more energy-efficient technology.

We do believe that selecting the SRS as a final site for a new commercial nuclear reactor will enable South Carolina to use its numerous resources to lead our nation toward the ultimate goal of energy independence.

As NuStart continues to examine the candidate sites, we respectfully request you consider our support, and please do not hesitate to contact our office or the South Carolina Department of Commerce should you need any further assistance regarding this issue.

Sincerely,



Mark Sanford

MS/se

cc: Danny Keuter, Vice President
Michael Bourgeois, Team Leader, Site Selection
South Carolina Congressional Delegation