THE STATE OF SOUTH CAROLINA
In The Supreme Court

APPEAL FROM THE PUBLIC SERVICE COMMISSION

Docket No. 2012-203-E
Appellate Case No. 2013-000529

South Carolina Energy Users Committee, ... Appellant/Respondent,

v.

South Carolina Electric & Gas Company,
Office of Regulatory Staff, Pamela Greenlaw, ... Respondents,

and Sierra Club is . . . . . .Respondent/Appellant.

REPLY BRIEF OF RESPONDENT/ APPELLANT SIERRA CLUB

December 2, 2013

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1. WHERE IT IS AGREED THAT THE PRUDENCE STANDARD FOR APPROVAL OF THESE COST OVERRUNS IS WHETHER THESE INCREASED COSTS SHOULD HAVE BEEN INITIALLY ANTICIPATED, AVOIDED OR MINIMIZED; THE COMMISSION'S FAILURE TO CONSIDER SUCH PRUDENCE STANDARD WAS CLEARLY ERRONEOUS, REQUIRING REVERSAL AND REMAND

All parties now appear to agree on a common standard for judging the prudence of the proposed $283 million in capital cost increases and associated schedule delays for construction of units 2 and 3 at the V. C. Summer Nuclear Station pursuant to South Carolina's early nuclear cost recovery statute, the Baseload Review Act (BLRA), S.C. Code Ann. §§ 58-33-210 et seq. In its Orders approving substantially all of the these cost increases and schedule delays, however, the Commission has failed to employ any rational prudence standard, let alone the prudence standard expressly established by the General Assembly to evaluate whether these cost overruns, in excess of those budgeted costs upon which this project was initially approved, should be borne by the utility's ratepayers instead of its stockholders. Failure by the Commission to exclude from early cost recovery by the utility those imprudent cost overruns which should have been initially anticipated, avoided or minimized by the utility, is clearly erroneous, necessitating a reversal of this Order and a remand for a proper prudence determination.

The utility, South Carolina Electric & Gas Company ("SCE&G or Company"), while continuing to dispute the applicability of Section 275(E) of the BLRA, as urged by Sierra Club and Energy Users, as opposed to Section

270(E) to this proceeding, nevertheless admits that "(i)t makes no practical difference, however, since both sections lay down the same standard: **prudence**." (Emphasis in the original). Brief of Respondent South Carolina Electric & Gas Company, p.25. The Company further concedes:

> In the end, however, it makes no difference. Section 275(E) does not impose a standard different from that of Section 270(E). Under Section 275(E), a cost or schedule deviation ay be disallowed if the utility acted in a way that "was imprudent considering the information available at the time . . .Id. Section 275(E) defines that information as "the information available at the time that the utility could have acted to avoid the deviation or minimize its effect." This has always been the standard for judging prudence.

Brief of Respondent South Carolina Electric & Gas Company, p.24.

For its part the Office of Regulatory Staff (ORS), while similarly defending the Commission's rejection of Section 275(E); likewise admits that Section 275(E) sets out the applicable standard for determining prudence in this proceeding:

> ORS agrees that even if S.C. Code Ann. Section 58-33-275(E) is determined to apply, the prudency evaluation is the same.

Brief of Respondent South Carolina Office of Regulatory Staff, p. 15.

The BLRA's prudence standard for disallowing costs which should have been anticipated, avoided or minimized is a standard which the Company acknowledges as "universally understood." Brief of Respondent South Carolina Electric & Gas Company, p.22. The Company elaborates this common understanding, now agreed to by all parties:

> Under a prudency test, "(t)he standard by which management

> action is to be judged is that of reasonableness under the circumstances, given what was known or should have been known at the time the decision was made or the action was taken." *Georgia Power Co. V. Georgia Public Service Comm'n*, 196 Ga. App. 572, 578, 396 S.E.2d 562, 569 (1990).

Id.

This Georgia prudence standard, endorsed by SCE&G, is, indeed, particularly instructive, here; for it reflects the critical recognition of the need to restrain the imposition of unreasonable and excessive new nuclear construction costs by the only other state with an active new nuclear construction project underway.

The *Georgia Power* prudence decision involved rate-making treatment by the Georgia PSC of the Company's application to recoup its share of the approximately $6.3 billion investment in Unit 1 of the Plant Vogtle nuclear generating plant during the initial round of nuclear plant construction in which the existing Unit 1 of the V. C. Summer plant was built.: The Georgia PSC denied rate recognition of $951 million of the Company's submitted costs based upon its application of the prudence standard to substantial cost overruns and schedule delays. *Georgia Power Co. V. Georgia Public Service Comm'n*, 196 Ga. App. 572, 396 S.E.2d 562 (1990).

The Georgia Court and PSC's elaboration of the prudence standard to be applied to the specific evaluation of nuclear plant cost overruns and schedule delays underscores the flaws in the Commission analysis here:

> "The standard by which management action is to be judged is that of reasonableness under the circumstances, given what was known or should have been known at the time the decision was made or the action was taken. The concept of prudence implies a

> standard or duty of care owed to others. In building a nuclear power plant, the Nuclear Regulatory Commission requires the utility to exercise a high standard of care in order to protect the public health and safety. Similarly, given the costs involved and the rate impact of those costs on monopoly customers, this commission finds that the utility should be held to a high standard of care in making decisions and taking actions in its planning and constructing such a project. Thus, while the standard to be applied is reasonableness under the circumstances, where the risk of harm to the public and ratepayer is greater, the standard of care expected from the reasonable person is higher. Given this standard ..., a reasonable person is one who is qualified by education, training and experience to make the decision or take the action, using information available and applying logical reasoning processes." (Indention omitted.)
>
> The PSC also noted that excessive or unreasonable costs could result from a decision that was prudent when made, but that "[t]he determinative issue is not whether the decision to incur the costs was prudent, but who should bear such costs. Such an expenditure represents an additional expense to the project which is certainly more in the control of utility management than the ratepayers. Therefore, it is only appropriate that such excessive or unreasonable costs become the responsibility of the utility and not the ratepayer."

Georgia Power Co. V. Georgia Public Service Comm'n, 196 Ga. App. 572, 578-579, 396 S.E.2d 562 (1990). Nowhere in our Commission's decision here is there any reasoned application of the accepted BLRA prudence standard, let alone the appropriate recognition of the" high standard of care" owed to ratepayers by a monopoly utility building a nuclear power plant in "making decisions and taking actions in its planning and constructing such a project." Id.

In defending the Commission's conclusory and indulgent blessing of the Company's prudence, SCE&G does no more than assert that "(T)he record is replete with evidence that SCE&G has not acted imprudently," citing the

Commission's 2009 initial decision authorizing this project for the proposition that "In 2008, the company identified the risks that it could reasonably foresee." Brief of Respondent South Carolina Electric & Gas Company, p.24. Such an advance dispensation by the Commission is no substitute for the application of the rigorous BLRA prudence standard requiring disallowance of ratepayer responsibility for cost overruns where the utility should have of 'anticipated, avoided and minimized' such excess costs. The Commission can not immunize the utility in advance for cost overruns in the future; nor can it evade its statutory duty to evaluate the prudence of such excess costs when they are proposed to be shifted to ratepayers. This is the essential bargain of the BLRA: if your build the nuclear plant within the budgeted construction cost and on schedule- with liberal allowances for identified cost inflation and construction schedule slippages- such project capital costs are to be deemed prudent and chargeable to ratepayers. However, where there are material cost overruns and schedule delays, a statutory prudence standard must be applied to protect ratepayers from excessive costs which should have been budgeted by the utility in its original project application. Enforcing this bargain is the essential means for imposing market-like discipline on utility management and assuring captive ratepayers protection from excessive monopolistic prices. S.C. Code Ann.§ 58-33-275C).

As Sierra Club's expert, Dr. Mark Cooper, testified, given the special treatment of costs under the BLRA, cost increases demand close scrutiny, to avoid a strategy in which the utility locks in sunk costs with low-ball estimates and puts pressure on regulators to approve a series of "small" cost overruns.

The fact that the company identifies a series of risks associated with the construction of nuclear reactors did not excuse it from properly evaluating and incorporating those risks into the initial cost estimate. If they can shift the risks to ratepayers, they will be inclined to make more risky decisions than they would if they had skin in the game. The fact that the company identifies a series of risks associated with the construction of nuclear reactors does not exempt it from bearing some of the costs of those risks. It earns a full rate of return on its capital, which is supposed to reward it for risk, and has been afforded a variety of other incentives to invest in nuclear. Tr. 969-970.

> Thus, the goal of the Base Load Review Act is two-fold: (1) to allow SCE&G to recover its "prudently incurred costs" associated with the nuclear facility; and (2) to protect customers "from responsibility for imprudent financial obligations or costs."

SC Energy Users Committee v. SC Public Service Commission, 388 S.C. 486 at 495, 697 S.E. 2d 587 (2010).

In its defense of the Commission Order the ORS offers even less than the Company. While conceding the applicability of the BLRA Section 275(E) prudence standard, ORS points to no evidence in the record of any demonstration that the cost overruns and schedule delays here should not have been properly anticipated, avoided or minimized by the utility to avoid exclusion from imposition on the ratepayers. ORS recites in detail its critical statutory duties under the BLRA including monitoring and auditing the Company's construction expenditures as well as reporting to

the Commission and opining on construction and schedule challenges. Brief of Respondent Office of Regulatory Staff, pp. 16-17. ORS cites to its witnesses Powell and Jones for their endorsement of all but $4.95 million of the requested $283 million in additional costs as "reasonable," ORS Brief, Supra, p. 17, in the absence of even their use of the word "prudent" let alone a scintilla of evidence supporting an expert opinion that such cost overruns meet the agreed BLRA statutory standard of prudence for shifting to ratepayers. ORS has failed in its key duty under the BLRA: to assess the prudence of project cost increases in order to protect ratepayers from bearing the excessive costs of utility imprudence.

Indeed, while never even uttering the term "prudence" or offering any assessment of whether such cost overruns met the BLRA standard of prudence, ORS nuclear construction expert Jones cautions that the Company's revised construction schedule is "aggressive and ambitious," without precedent at "any modern nuclear power plant in the United States:" presenting "a risk to on-time completion of the Project." Tr. 1051, lines 18-22. If anything, the affirmative cautionary evidence by ORS corroborates Sierra Club's demonstration that the Company's cost overruns and schedule delays fail to meet the BLRA prudence standard. Such an incomplete prudence assessment and cautionary warning by ORS buttresses the need for a remand for the required prudence review.

On this record it is only the expert testimony of Sierra Club witness,

Dr. Mark Cooper that even addresses the BLRA prudence standard, opining that the additional project costs and schedule slippages, indeed, should have been initially anticipated by the utility in its initial BLRA application upon which the Commission was asked to determine that the project as proposed was prudent. Tr. 969-971.

> The risks that the utility identifies and now wants to pass on to the ratepayers were well known before they made the cost estimate on which the reactors were approved and before they signed the EPC contract:
>
> 1. The fact that there would be difficulties in finding adequately qualified and trained personnel was widely recognized.
> 2. The fact that the supply chain was stretched thin was widely recognized.
> 3. The fact that there would be bumps in the road of regulatory approval was also certainly predictable. The failure to comply with NRC requirements is the responsibility of the utility, not the ratepayers or the NRC.
> 4. Given the history of nuclear reactor construction in the U.S. and around the world, the fact that requirements would evolve over time should have been foreseen and included in the cost estimate.

Tr. 970-971.

For its part, the Commission in its Orders persists in the untenable position of rejecting the BLRA prudence standard advanced by Sierra and Energy Users- and now accepted by both the utility and ORS:

> At the hearing in this matter, the SCEUC seemed to take the position that the Commission might disallow certain cost because SCE&G should have anticipated them when cost schedules were presented for approval in past proceedings. (Record citations omitted) The Commission does not adopt this approach for several reasons. The Commission finds that the cost forecasts adopted in prior orders were based

> on extensive evidence indicating that they represented the best information available to the Company at the time they were adopted. The forecasts were fully litigated in contested case proceedings before the Commission. The ORS carefully reviewed and audited these forecasts. Public notice was given and interested parties were given the opportunity to intervene in the proceedings as parties with full rights of discovery and cross-examination. At the hearing, the Company presented extensive testimony subject to cross-examination supporting these forecasts. On the basis of that record, the Commission entered express findings that those forecasts were reasonable and prudent. See Order No. 2009-104(A); Order No. 2011-345.
>
> The Commission does not believe that it is appropriate as a matter of regulatory practice and policy, nor is it consistent with the terms of the BLRA, to rule that the failure to anticipate certain costs is imprudent, where it has already ruled, after a full contested case hearing, and full and candid presentation of cost forecast data to the Commission, that the cost forecasts being alleged to be imprudent reasonably and accurately reflected the anticipated cost of the Units at the time. To rule otherwise is neither fair nor logical and results in the sort of after-the-fact relitigation of prudency questions that the BLRA was intended to discourage.

Order No. 2012-884, pp. 67-68. The Commission's refusal to consider whether the project cost overruns identified here should have been anticipated, avoided or minimized, as required by the BLRA and the generally accepted standard for judging prudence, fails to protect ratepayers from excessive and imprudent utility costs as promised by the General Assembly in its adoption of the BLRA. This Commission ruling represents a clear error of law, requiring reversal of its order approving these cost overruns and schedule delays, and a remand for a proper determination under the Act.

> Where the plain language of the statute is contrary to the agency's interpretation, the Court will reject the agency's interpretation.

Kiawah Development Partners v. S.C. DHEC, 401 S.C. 571 at 580, 738 S.E.2d 455 (2013).

2. WHERE PRUDENCE BY THE UTILITY MAY REQUIRE ABANDONMENT OF AN UNECONOMIC NUCLEAR BASELOAD PROJECT IN ORDER TO AVOID OR MINIMIZE INCURRING UNREASONABLE COSTS, THE COMMISSION ERRED IN CATEGORICALLY EXCLUDING CONSIDERATION OF PROJECT ABANDONMENT FROM FUTURE COST-OVERRUN PRUDENCE REVIEWS.

In its Order in this matter, the Commission categorically rejects the consideration of project abandonment as an available remedy even when facing what would otherwise be the imprudent costs of continuing to construct an uneconomic baseload project. Order No. 2012-884 at p. 17. Despite the BLRA's express recognition that projects may be prudently abandoned and sunk costs recovered by the utility from ratepayers upon a showing that abandonment was, indeed, prudent, South Carolina Code § 58-33-280.(K), the Commission's erroneous construction of the BLRA would force ratepayers to bear the imprudent continuing costs of project construction, even where the evidence warranted project abandonment as the prudent decision in 'order to avoid or minimize' unreasonable further project costs. Moreover, such a ruling relieves utility management of the discipline of regulatory oversight of a decision to continue with an

uneconomic project with the unwarranted assurance that sunk costs will be recoverable for projects that should be abandoned or whose abandonment is imprudently delayed.

In so ruling the Commission expressly notes that it expects to apply this bar on consideration of project abandonment (or, put the other way, the 'going forward' decision to continue construction) in BLRA proceedings for the expected "future projects proposed by other electric utilities," Id. Indeed, just such a project at a much earlier, tentative, pre-construction stage than SCE&G's, is in the BLRA pipeline, pending utility management decision to go forward. See, Order Approving Amended Project Development Application and Settlement Agreement (July 1, 2011), http://dms.psc.sc.gov/pdf/matters/6279815B-94DB-BF81-4B0A26BAE2A60353.pdf, approving the application by Duke Energy to incur limited "pre-construction costs" in connection with the potential construction of the Lee Nuclear Station in Cherokee County, a project for which Duke "has made no final determination." Id., p. 15.

In addition to anticipating application of this ruling to expected future proceedings involving other utilities, such as Duke Energy; the Commission expressly anticipates application of this ruling to bar consideration of the prudence of abandonment in a future BLRA proceeding involving further cost overruns for this very project.

> While the Commission has here addressed the prudency of the continuation of the construction of the Units, based on its ruling herein, if this issue is raised in future cases, the

> Commission would be willing to entertain appropriate motions *in limne* or other procedural motions regarding this issue.

Order No. 2012-884, p. 18, fn 4.

Thus, the Commission assures us that so long as this project or another utility's baseload nuclear plant proposes to seek approval for construction cost overruns- as it assures us will likely be "routine," Order No. 2012-884, p. 17, the Commission will refuse to consider project abandonment as a prudent measure to avoid or minimize excessive or unreasonable project costs, regardless of the evidence. By contrast, the BLRA will assure the utility that it can recover from ratepayers the sunk costs in a nuclear project it chooses, at its sole discretion, to abandon, upon a showing by the utility that the decision to abandon was prudent. South Carolina Code Ann. § 58-33-280.(K). Such a lopsided interpretation of the statute, to the benefit of the utility and to the detriment of its ratepayers, simply cannot be squared with the legislative purpose underlying the BLRA: to allow the utility to recover its prudently incurred project costs while protecting ratepayers "from responsibility for imprudent financial obligations or costs." SC Energy Users Committee v. SC Public Service Commission, 388 S.C. 486 at 495, 697 S.E. 2d 587 (2010). Failure to correct this clear error of law on the part of the Commission would send a seriously flawed message to utility management that they could proceed with new nuclear plant projects with the early cost recovery benefits of the BLRA but without the discipline of

effective prudence oversight to ensure that only economic projects would be both undertaken and carried forward under prudent cost constraints. Moreover, ratepayers, including Sierra Club and SCEUC members would remain unprotected from continued exposure to "imprudent financial obligations or costs." Id.

Under these circumstances, this question of the Commission's duty to consider the prudence of project abandonment, when warranted by the evidence, is neither merely academic nor moot. In any event this question is also both of important public interest, impacting thousands of ratepayers, millions of dollars in project costs and our State's energy future. In addition, this question will likely be repeated in the "routine" cost overrun proceedings expected by the Commission; but will evade effective review once the project costs have been incurred for a nuclear plant that should have been abandoned where completion was no longer prudent. Review of this issue is, therefore, warranted; regardless of the Commission's purported prudence review in this case. Sloan v. Friends of the Hunley, Inc., 369 S.C. 20, 630 S.E.2d 474 (2006).

The prudence review which the Commission did ostensibly conduct of the project cancellation option in this case was seriously flawed both by the Commission's erroneous legal analysis of the BLRA's standards, as well as by a distorted understanding of the evidence favoring a review of alternatives to project completion.

At the outset the Commission fundamentally mischaracterizes Sierra Club's basic claim: contrary to the Commission's assertion that we seek to re-litigate the initial decision to approve the project; we seek, instead, to review the 'going-forward' decision in the full light of the original approval of the project's prudence as well as the utility's rights under the BLRA to recover costs sunk to date in the project.

> Update proceedings are likely to be a routine part of administering BLRA projects going forward (including future projects proposed by other electric utilities), such that under the Sierra Club's argument, the prudence of the decision to build the plant will be open to repeated relitigation during the construction period if a utility seeks to preserve the benefits of the BLRA for its project. Reopening the initial prudency determinations each time a utility is required to make an update filing would create an outcome that the BLRA was intended to prevent and would defeat the principal legislative purpose in adopting the statute. (Emphasis added)

Order No. 2012-884 at p. 17. This distortion of the Sierra Club's basic position fatally infects the Commission's review that follows.

The remedy which Sierra Club sought, in light of the overwhelming evidence of materially changed circumstances since the initial project approval, is the Commission mandate to conduct a "complex, multi-scenario analysis of generating options for the company," Marsh, Tr. 100, lines 21-24. Instead, in response to the analysis presented by the Sierra Club's Dr. Mark Cooper, the Company responded with a hastily assembled, eleventh- hour uni-dimensional "Comparative Economic Analysis of Completing Nuclear Construction or Pursuing a Gas Resource Strategy," authored by its witness Lynch, Marsh, Tr. 103, lines 17-24,

which the Commission embraced uncritically in closing the door to prudence reviews of project abandonment. After approving the Lynch analysis the Commission confirmed:

> In any event, as noted above, while this finding is justified by the evidence, this commission also finds that the BLRA does not require that this issue be relitigated once the initial finding has been made.

Order No. 2012-884, pp. 28-33.

Dr. Cooper's assessment that materially changed circumstances warrant revisiting the prudence of continuing project construction is founded on the recognition that the key assumptions on which SCE&G relied to justify the initial construction of two reactors have proved to be wrong

- High demand growth
- High gas prices
- High carbon taxes
- A stampede of orders as a result of the nuclear renaissance
- Smooth approval of new, untested nuclear designs

Although every one of these assumptions proved to be wrong and 90 percent of the other utilities that had contemplated building new reactors have changed their minds. Tr. 940-949; 994-1001.

Dr. Cooper's analysis focuses on the natural gas alternative only because that has been the sole alternative to nuclear evaluated by the Company. Their empirical analysis is fundamentally flawed because it

excludes from consideration the most important variables. By focusing on only two options, low cost alternatives, other than gas, are not considered. The company examines 27 sensitivity analyses with identical quantities of nuclear and natural gas capacity, but never considers alternative scenarios with more efficiency (less need for capacity) or a greater contribution of renewables.. Tr. 918, lines 9-13.

The Company persists in a parody of the positions of both the Sierra Club and Dr. Cooper as advocating a simplistic gas only alternative to nuclear. Brief of Respondent South Carolina Electric & Gas Company, p. 34. As Dr. Cooper explained in his Surrebuttal Testimony:

> . . .the company has leapt from my demonstration that gas beats nuclear to the conclusion that I believe gas is the right choice. They combine this erroneous assumption with the observation that my clients in this case have expressed concerns about natural gas to claim that there is an inconsistency between my position and theirs. Nothing could be further from the truth. . . . . I have expressed concerns about a second dash to gas for exactly the same reasons the Sierra Club is concerned about it: it undermines and delays the development of more important alternatives on which the electricity sector will inevitably rely. I believe that slowing and delaying the transition away from fossil fuels will raise the ultimate cost of transforming the electricity sector into an efficient, clean 21st century sector. Looking out over the long terms to 2050, as shown in Exhibit MNC-SR-5, my base case to achieve the goal of carbon reduction did not include gas.

Tr. 983, l. 4- 984, l 16. Sierra Club's "Energy Resource Policy," reaches the same conclusion by 2050, embracing the preferred alternative resources of efficiency, first, as most attractive. Tr. 984. However, of most

importance here, from the least-cost planning perspective "(N)uclear is the most unattractive of the resources." Id. Dr. Cooper, indeed, embraces the essential objective of a carbon-free electricity sector, without gas and without nuclear. He rejects the label of being anti-nuclear; but from a consumer advocacy perspective, "(T)here may be a moment when nuclear comes back into the supply. But that moment, if you look at the supply curve, that moment is out in the 2030's." Tr. 1031.

In response to Dr. Cooper's critique, the Company offers only two substantive points: that the cost of the Units has declined "in future dollars due to lower escalation and financing costs;" and the cost to complete the Units is lower "because 25% of cost of the project has already been paid." Brief of Respondent South Carolina Electric & Gas Company, p. 34.

To the first claim that the cost of the project has gone down, as measured in current dollars, Dr. Cooper replies:

> First, the company is playing a game of "heads I win, tails you lose" with ratepayers. If escalation pushes costs up, ratepayers pay, if escalation lowers costs, the company finds excuses to keep the money. Ratepayers are paying more than they should for the reactor.
>
> Second, the cost of gas has gone down a lot more, so ratepayers are paying too much for the wrong technology.

Tr. 982. The Company initially sold the prudence of the project based on a budget in constant dollars, with liberal escalation rates built in. Now they want to take credit in current dollars for the recession's effect on

those escalation rates, for which the Company can claim no legitimate responsibility.

To the second Company criticism that dollars have already been sunk in the project, Sierra Club acknowledges that, given the BLRA's guarantee that authorized sunk costs must be recovered by the utility, time is, indeed, of the essence in requiring a genuine reassessment of the prudence of completing the project. Dr. Cooper concludes, however, that even with sunk cost recovery, cancellation would benefit ratepayers. By shortening the amortization period for recovery of costs sunk in the project from that proposed by the Company's Mr. Lynch, "you dramatically reduce the revenue requirement" tipping the outcome in favor of abandonment. Tr. 999. Now is the time to require the "complex, multi-scenario analysis of generating options for the company," Marsh, Tr. 100, lines 21-24.,which will identify the energy supply alternative meeting the prudence standard of the BLRA under current market and technological conditions.

CONCLUSION

For the foregoing reasons the decisions of the Public Service Commission approving the May 15, 2012, Petition by South Carolina Electric & Gas Company pursuant to the Base Load Review Act for approval of an updated capital costs schedule in connection with the construction of Units 2 and 3 at the V. C. Summer Nuclear Station should be reversed.

Respectfully submitted,

December 2, 2013

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PROOF OF SERVICE

I certify that I have served the attached initial Reply Brief and Supplementary Designation of Matter and Certificate of Counsel on behalf of Respondent/Appellant Sierra Club on the below-named parties, at the addresses given, by depositing a copy of it in the United States Mail, postage prepaid, on this 2nd day of December 2013.

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