

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
CAROLINA POWER & LIGHT COMPANY) Docket No. 50-400
)
(Shearon Harris Nuclear Power Plant,)
Unit No. 1))

ORDER APPROVING APPLICATION
REGARDING PROPOSED CORPORATE RESTRUCTURING OF CAROLINA POWER &
LIGHT COMPANY BY ESTABLISHMENT OF A HOLDING COMPANY

I.

CP&L and the North Carolina Eastern Municipal Power Agency are the holders of

(Harris), issued January 12, 1987. CP&L owns an 83.83% interest in Harris.

II.

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and 10 C.F.R. § 50.80, CP&L filed an application dated September 15, 1999, which was supplemented by letters dated October 8, and November 10, 1999, requesting approval of the indirect transfer of Facility Operating License No. NPF-63 for Harris that would result from a proposed corporate restructuring of CP&L. Under the proposed restructuring, a new holding company, CP&L Holdings, Inc. ("Holdings"), will be formed and will become the parent company of CP&L. Current holders of CP&L common stock will receive, on a one-for-one basis, shares of common stock of Holdings such that Holdings will then own the common stock of CP&L. CP&L's ownership interests in, and its operation of, its nuclear facilities will not change. No direct

transfer of the license will occur, as CP&L will continue to hold the license. No physical changes to the facility, or operational changes are being proposed in the application. According to the application, as a result of the new corporate structure, Holdings will be able to respond more effectively to increased competition in the energy industry. Notice of the application and an opportunity for a hearing was published in the FEDERAL REGISTER on November 2, 1999 (64 FR 59220). No hearing requests were filed.

Under 10 CFR 50.80, no license shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. Upon review of the information submitted by CP&L in its application, as supplemented, and other information before the Commission, the NRC staff has determined that the proposed restructuring of CP&L will not affect the qualifications of CP&L as holder of the license referenced above, and that the indirect transfer of the license, to the extent affected by the restructuring, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission subject to the conditions set forth herein. These findings are supported by a Safety Evaluation dated December 29, 1999.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC §§ 2201(b), 2201(i), 2201(o) and 2234; and 10 § CFR 50.80, IT IS HEREBY ORDERED that the application regarding the subject indirect transfer is approved, subject to the following conditions:

(1) CP&L shall provide the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens)

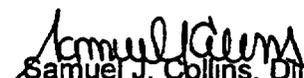
(1) CP&L shall provide the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from CP&L to its proposed parent or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of CP&L's consolidated net utility plant, as recorded on CP&L books of account, and

(2) should the restructuring of CP&L not be completed by December 30, 2000, this Order shall become null and void, provided, however, on application and for good cause shown, such date may be extended.

This order is effective upon issuance.

For further details with respect to this action, see the initial application dated September 15, 1999, and supplements dated October 8, and November 10, 1999, and the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Website (<http://www.nrc.gov>).

FOR THE NUCLEAR REGULATORY COMMISSION


Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland, this 29 th day of December 1999.