

February 7, 2000

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LICENSEE: Florida Power Corporation

FACILITY: Crystal River, Unit 3

SUBJECT: SUMMARY OF MEETING WITH FLORIDA POWER CORPORATION TO DISCUSS THEIR INTENT TO REQUEST STAFF APPROVAL FOR THE INDIRECT TRANSFER OF CONTROL OF THE OPERATING LICENSE FOR CRYSTAL RIVER UNIT 3 TO CAROLINA POWER & LIGHT HOLDINGS

This is a summary of the meeting with Florida Power Corporation (FPC) conducted on January 27, 2000, at the U.S. Nuclear Regulatory Commission (NRC) offices in Rockville, Maryland. The purpose of the meeting was for the licensee to discuss their intent to request NRC staff approval for the indirect transfer of their operating license for Crystal River Unit 3 (CR-3) to a holding company. The meeting attendees are listed in Enclosure 1. The handouts used at the meeting are included as Enclosure 2.

FPC discussed their plans for an indirect transfer of control of the license for CR-3 to Carolina Power and Light (CP&L) Holdings via a share exchange transaction between Florida Progress Corporation, the parent company of FPC, and CP&L Holdings. Florida Progress will become a wholly owned subsidiary of CP&L Holdings. FPC will remain principle owner and licensed operator for CR-3, with no change in day-to-day operations or maintenance of CR-3 as a result of this indirect transfer. No amendment to the CR-3 operating license or technical specifications will be necessary. FPC expects to submit its request for approval of the indirect license transfer to the NRC shortly, and requested approval of the request by June 1, 2000.

L. A. Wiens, Senior Project Manager, Section 2/**Original signed by**
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-302

Enclosures: 1. Attendance List
2. Handouts

cc w/enclosures: See next page

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

February 7, 2000

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FPC discussed their plans for an indirect transfer of control of the license for CR-3 to Carolina Power and Light (CP&L) Holdings via a share exchange transaction between Florida Progress Corporation, the parent company of FPC, and CP&L Holdings. Florida Progress will become a wholly owned subsidiary of CP&L Holdings. FPC will remain principle owner and licensed operator for CR-3, with no change in day-to-day operations or maintenance of CR-3 as a result of this indirect transfer. No amendment to the CR-3 operating license or technical specifications will be necessary. FPC expects to submit its request for approval of the indirect license transfer to the NRC shortly, and requested approval of the request by June 1, 2000.

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MEETING ATTENDEES

CRYSTAL RIVER INDIRECT LICENSE TRANSFER MEETING

January 27, 2000

NAME	ORGANIZATION
Herb Berkow	NRC/NRR/DLPM/PD-II
Rich Correia	NRC/NRR/DLPM/PD-II
Len Wiens	NRC/NRR/DLPM/PD-II
Robert Wood	NRC/NRR/DRIP/RGEB
Mike Dusaniwskyj	NRC/NRR/DRIP/RGEB
Steven Hom	NRC/OGC
Sherry Bernhoft	FLORIDA POWER CORPORATION
Alex Glenn	FLORIDA POWER CORPORATION
John Caves (by telecon)	CAROLINA POWER & LIGHT
Ram Subbaratnam	NRC/NRR/DLPM/PD-II
C. Ionescu (by telecon)	CAROLINA POWER & LIGHT

FPC



crystal river unit 3

NRC Briefing on the Indirect Transfer of Control of Crystal River 3 License Resulting from Share Exchange Transaction Between Florida Progress Corporation and CP&L Holdings

Presented by

Florida Power Corporation

Agenda

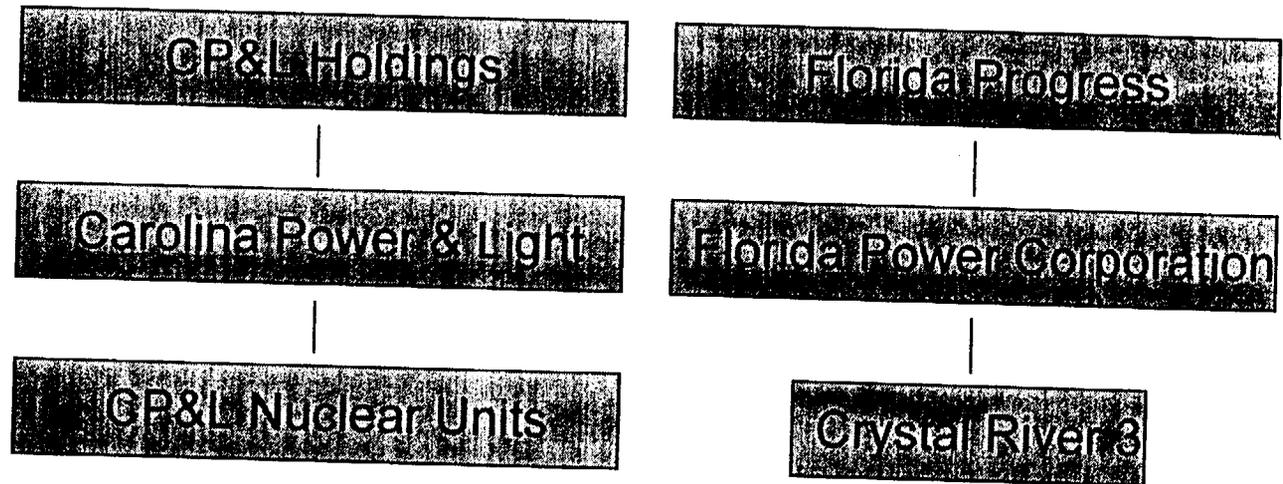
- Introduction
- Summary of Transaction with CP&L Holdings
- Contents of Proposed Indirect License Transfer Application for CR-3
- Proposed Schedule

Summary of Share Exchange Transaction Between Florida Progress and CP&L Holdings

- Florida Power Corporation (FPC) Will Remain a Wholly Owned Subsidiary of Florida Progress, and Will Become an Indirect Wholly Owned Subsidiary of CP&L Holdings
- FPC Will Continue to be an “Electric Utility” Under 10 CFR § 50.2
- Financially Qualified In Accordance With 10 CFR § 50.33(f)

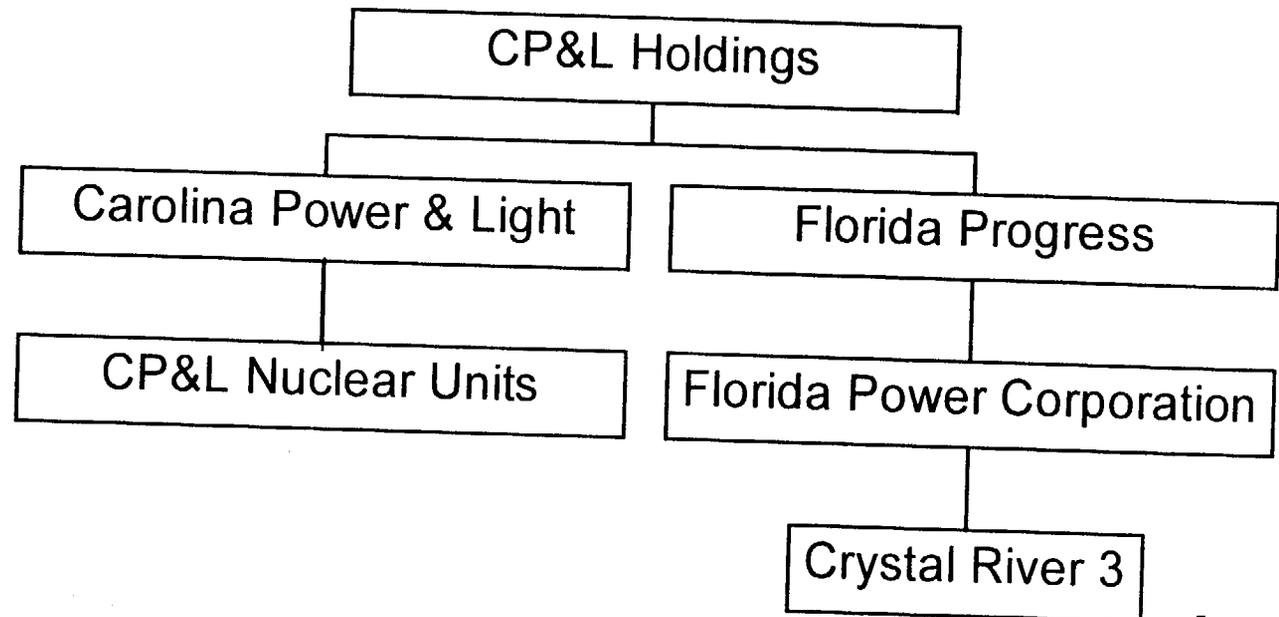
Summary of Share Exchange Transaction Between Florida Progress and CP&L Holdings

Corporate Structures Prior to Transaction



Summary of Share Exchange Transaction Between Florida Progress and CP&L Holdings

Corporate Structure Upon Completion of Transaction



Summary of Share Exchange Transaction Between Florida Progress and CP&L Holdings

- FPC Will Remain Principal Owner and Licensed Operator for CR-3
- No Change in Day-to-Day Operations or Maintenance of CR-3
- No Amendments to CR-3 Operating License or Technical Specifications

Contents of Proposed Indirect License Transfer Application

- Background Information on FPC
- Background Information on Florida Progress and CP&L Holdings
- Continuing Technical Qualifications of FPC
- Continuing Financial Qualifications of FPC
- Decommissioning Funding
- Other Regulatory Items
- Proposed Schedule

Background Information on Florida Power Corporation

- Will Remain as Licensed Operator and Principal Owner of CR-3
- Will Remain a Vertically Integrated Utility Subject to Rate Regulation by FERC and Florida PSC
- Will Remain Wholly Owned Subsidiary of Florida Progress and Become Indirect Wholly Owned Subsidiary of CP&L Holdings
- All Directors and Officers Will Be U.S. Citizens

Background Information on Florida Progress

- Will Remain as Parent Company of FPC
- Will Remain a Florida Corporation But Will Become Wholly Owned by CP&L Holdings
- All Directors and Officers Will Be U.S. Citizens

Background Information on CP&L Holdings

- Will Be New Parent Company of CP&L
- Upon Consummation of Merger, Will Become Registered Holding Company Under PUHCA
- Will Be a North Carolina Corporation with Widely Held and Publicly Traded Securities
- Will Become Parent Company of Florida Progress and Indirect Parent of FPC
- All Directors and Officers Will Be U.S. Citizens
- No Foreign Ownership, Control or Domination

Continuing Technical Qualifications of FPC

- No Change in Day-to-Day Operations or Maintenance of CR-3
- No Change in Licensing Basis of CR-3
- No Amendments to CR-3 Operating License or Technical Specifications

Continuing Financial Qualifications of FPC

- FPC Will Continue to be an “Electric Utility” Under 10 CFR § 50.2
- Financially Qualified In Accordance With 10 CFR § 50.33(f)
- FPC is Willing to Commit to Notify the NRC Prior to Transfer of 10% or More of Utility Assets to Affiliate

Decommissioning Funding

- Continued Financial Assurance Pursuant to 10 CFR § 50.75 and 50.33(k)
- FPC Will Remain Responsible for Decommissioning Liabilities
- FPC Will Submit an Updated Decommissioning Fund Status Report by March 31, 2000 Pursuant to 10 CFR § 50.75(f)

Antitrust

- Antitrust Review Not Required for Post-Operating License Transfer Applications (Wolf Creek)
- Existing Antitrust Conditions in CR-3 License Will Remain in Effect

Other Regulatory Items

- No Restricted Data or Classified Information
- No Environmental Impact

Proposed Schedule

- Submit Indirect License Transfer Application
- Requesting NRC Consent by June 1, 2000

Florida Power Corporation

**CRYSTAL RIVER UNIT NO. 3
GENERATING PLANT**

cc:

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