



**Florida
Power**

CORPORATION
Crystal River Unit 3
Docket No. 50-302
Operating License No. DPR-72

June 18, 1999
3F0699-10

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

Subject: Crystal River Unit 3 - Request for Consent to Transfer Minority Ownership
Interest - Request for Additional Information (TAC No. MA4527)

Reference: FPC to NRC letter, 3F1298-15, dated December 29, 1998

Dear Sir:

By letter dated December 29, 1998, Florida Power Corporation (FPC) submitted a request for NRC consent to the proposed transfer of the City of Tallahassee's 1.3333 percent undivided ownership in, and entitlement to 11.4 megawatts of output of the Crystal River Unit 3 (CR-3) nuclear plant to FPC. In response to NRC's request for additional information, this correspondence provides the basis for the decision to have the City of Tallahassee retain control of its decommissioning trust fund rather than transferring the City's funds to FPC.

FPC believes that the funds available at the time of decommissioning will be greatest if the City retains the funds in its decommissioning trust. Given the City's tax exempt status, FPC expects that the earnings in the City's fund will accrue at a rate greater than the rate if the funds were transferred to FPC. Additionally, retention of the funds by the City will avoid potential adverse tax consequences that may occur if the City's funds were transferred to FPC's decommissioning trust fund.

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If you have any questions regarding this submittal, please contact Mr. Sid Powell, Manager, Nuclear Licensing at (352) 563-4883.

Sincerely,

S. L. Bernhoff
Director, Nuclear Regulatory Affairs

SLB/RAG/ff

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xc: Regional Administrator, Region II
NRR Project Manager
Senior Resident Inspector