

Mr. John Paul Cowan  
 Vice President, Nuclear ( ) ations  
 Florida Power Corporation  
 ATTN: Manager, Nuclear Licensing (SA2A)  
 Crystal River Energy Complex  
 15760 W. Power Line Street  
 Crystal River, Florida 34428-6708

September 1 1999

**SUBJECT: ORDER APPROVING THE TRANSFER OF LICENSE FOR CRYSTAL RIVER UNIT 3 TO THE EXTENT HELD BY THE CITY OF TALLAHASSEE TO FLORIDA POWER CORPORATION AND APPROVING CONFORMING AMENDMENT (TAC NO. MA4527)**

Dear Mr. Cowan:

The enclosed Order is being issued in response to the application dated December 29, 1998, as supplemented on June 18, 1999, requesting approval of the transfer of the license for Crystal River Unit 3, to the extent it is held by the City of Tallahassee, to Florida Power Corporation and approval of a conforming amendment pursuant to Sections 50.80 and 50.90 of Title 10 of the *Code of Federal Regulations*. The enclosed Order provides consent to the proposed transfer, subject to the conditions described therein. The Order also approves the enclosed conforming license amendment to be issued and made effective at the time the transfer is completed.

Also enclosed is our safety evaluation of the subject transfer. The Order has been forwarded to the Office of the Federal Register for publication.

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

Docket No. 50-302

- Enclosures: 1. Order  
 2. Conforming Amendment  
 3. Safety Evaluation

**NRC FILE CENTER COPY**

cc w/encls: See next page

**DISTRIBUTION:** SPeterson  
 Docket File SCollins\RZimmerman JZwolinski/SBlack SECY  
 PUBLIC CCarpenter RScholl (EMAIL SE only) MSatorius  
 CR3 Rdg MDusaniwskyj WBeckner, TSB VDricks  
 HBerkow OGC BSheron GHill (2) DFOI  
 LWiens ACRS LWert, RII BClayton

DOCKET NAME: G:\PDII-2\Crystal\ORDA4527.WPD \* see previous concurrence

OFFICE	PM:PDII	LA:PDII	PDII-2/SC *	D:PDII *	
NAME	LWiens <i>[Signature]</i>	BClayton <i>[Signature]</i>	SPeterson	HBerkow	
DATE	9/1/99	9/1/99	8/20/99	08/20/99	

OFFICE	Tech Ed *	OGC *	D:DLPM	ADPT	D:NRR
NAME	BCalure	SHom	JZwolinski <i>[Signature]</i>	BSheron <i>[Signature]</i>	SCollins <i>[Signature]</i>
DATE	8/18/99	08/18/99	9/3/99	9/7/99	9/8/99

**OFFICIAL RECORD COPY**

9909130122 990908  
 PDR ADOCK 05000302  
 PDR



UNITED STATES  
**NUCLEAR REGULATORY COMMISSION**  
WASHINGTON, D.C. 20555-0001

September 8, 1999

Mr. John Paul Cowan  
Vice President, Nuclear Operations  
Florida Power Corporation  
ATTN: Manager, Nuclear Licensing (SA2A)  
Crystal River Energy Complex  
15760 W. Power Line Street  
Crystal River, Florida 34428-6708

**SUBJECT: ORDER APPROVING THE TRANSFER OF LICENSE FOR CRYSTAL RIVER UNIT 3 TO THE EXTENT HELD BY THE CITY OF TALLAHASSEE TO FLORIDA POWER CORPORATION AND APPROVING CONFORMING AMENDMENT (TAC NO. MA4527)**

Dear Mr. Cowan:

The enclosed Order is being issued in response to the application dated December 29, 1998, as supplemented on June 18, 1999, requesting approval of the transfer of the license for Crystal River Unit 3, to the extent it is held by the City of Tallahassee, to Florida Power Corporation and approval of a conforming amendment pursuant to Sections 50.80 and 50.90 of Title 10 of the *Code of Federal Regulations*. The enclosed Order provides consent to the proposed transfer, subject to the conditions described therein. The Order also approves the enclosed conforming license amendment to be issued and made effective at the time the transfer is completed.

Also enclosed is our safety evaluation of the subject transfer. The Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

A handwritten signature in black ink, appearing to read "L. A. Wiens".

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

Docket No. 50-302

Enclosures: 1. Order  
2. Conforming Amendment  
3. Safety Evaluation

cc w/encls: See next page

Mr. John Paul Cowan  
Florida Power Corporation

**CRYSTAL RIVER UNIT NO. 3**

cc:

Mr. R. Alexander Glenn  
Corporate Counsel  
Florida Power Corporation  
MAC-A5A  
P.O. Box 14042  
St. Petersburg, Florida 33733-4042

Ms. Sherry L. Bernhoft, Director  
Nuclear Regulatory Affairs (SA2A)  
Florida Power Corporation  
Crystal River Energy Complex  
15760 W. Power Line Street  
Crystal River, Florida 34428-6708

Mr. Charles G. Pardee, Director  
Nuclear Plant Operations (NA2C)  
Florida Power Corporation  
Crystal River Energy Complex  
15760 W. Power Line Street  
Crystal River, Florida 34428-6708

Senior Resident Inspector  
Crystal River Unit 3  
U.S. Nuclear Regulatory Commission  
6745 N. Tallahassee Road  
Crystal River, Florida 34428

Mr. Michael A. Schoppman  
Framatome Technologies Inc.  
1700 Rockville Pike, Suite 525  
Rockville, Maryland 20852

Mr. Gregory H. Halnon  
Director, Quality Programs (SA2C)  
Florida Power Corporation  
Crystal River Energy Complex  
15760 W. Power Line Street  
Crystal River, Florida 34428-6708

Mr. William A. Passetti, Chief  
Department of Health  
Bureau of Radiation Control  
2020 Capital Circle, SE, Bin #C21  
Tallahassee, Florida 32399-1741

Attorney General  
Department of Legal Affairs  
The Capitol  
Tallahassee, Florida 32304

Mr. Joe Myers, Director  
Division of Emergency Preparedness  
Department of Community Affairs  
2740 Centerview Drive  
Tallahassee, Florida 32399-2100

Chairman  
Board of County Commissioners  
Citrus County  
110 North Apopka Avenue  
Inverness, Florida 34450-4245

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of )  
 )  
FLORIDA POWER CORPORATION et al. ) Docket No. 50-302  
 )  
(Crystal River Unit 3) )

ORDER APPROVING THE TRANSFER OF LICENSE  
AND A CONFORMING AMENDMENT

I.

Florida Power Corporation (FPC), owner of 90.4473 percent of Crystal River Unit 3 (CR-3), has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility as reflected in Operating License DPR-72. The City of Tallahassee (the City), one of the several joint owners of the facility, holds a 1.3333-percent ownership interest in CR-3. The Nuclear Regulatory Commission (NRC or Commission) issued License No. DPR-72 on December 3, 1976, pursuant to Part 50 of Title 10 of the *Code of Federal Regulations* (10 CFR Part 50). The facility is located in Citrus County, Florida.

II.

By application dated December 29, 1998, as supplemented on June 18, 1999 (collectively hereinafter referred to as the application), FPC requested approval of the proposed transfer of the City's rights under the Operating License for CR-3 to FPC. FPC also requested approval of a conforming amendment to reflect the transfer.

According to the application, the City has agreed to sell its 1.3333-percent ownership interest in CR-3 to FPC, subject to obtaining all necessary regulatory approvals. FPC would continue to have exclusive responsibility for the management, operation, and maintenance of

CR-3. The conforming amendment would remove the City from the Facility Operating License and indicate that the City is no longer a licensee.

Approval of the transfer and conforming license amendment was requested pursuant to 10 CFR 50.80 and 50.90. Notice of the application for approval and an opportunity for a hearing was published in the Federal Register on February 26, 1999 (64 FR 9544). No hearing requests were filed.

Under 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information submitted in the application, the NRC staff has determined that FPC is qualified to hold the license with respect to the additional ownership interest of the City, and that the transfer of the license, to the extent it is held by the City, to FPC is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission.

The NRC staff has further found that the application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendment will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed license amendment is in accordance with 10 CFR Part 51 of the Commission's regulations, and all applicable requirements have been satisfied. The findings previously set forth herein are supported by a Safety Evaluation dated ~~September~~ **8, 1999**.

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. Sections 2201(b), 2201(i), and 2234, and 10 CFR 50.80, IT IS HEREBY ORDERED that the license transfer referenced above is approved, subject to the following conditions:

- (a) The use of assets in the City's existing non-qualified decommissioning trust fund for CR-3 (Decommissioning Trust Fund) shall be limited to the expenses related to decommissioning of CR-3 as defined by the NRC in its regulations and issuances, and as provided in the CR-3 license and any amendments thereto.
- (b) Decommissioning Trust Fund investments in the securities or other obligations of the City or FPC, or affiliates thereof, or their successors or assigns, shall be prohibited. In addition, except for investments tied to market indexes or other non-nuclear sector mutual funds, investments in any entity owning one or more nuclear power plants shall be prohibited.
- (c) No disbursements or payments from the Decommissioning Trust Fund shall be made by the trustee until the trustee has first given the NRC thirty (30) days notice of payment. No disbursements or payments from the Decommissioning Trust Fund shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation, NRC.
- (d) The agreement governing the Decommissioning Trust Fund shall be amended, to the extent necessary, to be consistent with this Order. It then shall not be modified in any material respect without prior written consent of the Director, Office of Nuclear Reactor Regulation, NRC.

- (e) FPC shall take all necessary steps to ensure that the maintenance of, and disbursal of funds from, the Decommissioning Trust Fund is in accordance or consistent with the application, this Order, and the supporting safety evaluation.
- (f) After receipt of all required regulatory approvals of the transfer of the City's interest in CR-3 to FPC, FPC shall inform the Director, Office of Nuclear Reactor Regulation, in writing, of such receipt within five business days, and of the date of the closing of the sale and transfer of the City's interest to FPC no later than seven business days prior to the date of closing. Should the transfer not be completed by December 31, 1999, this Order shall become null and void, provided, however, on application and for good cause shown, such date may be extended.

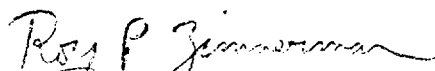
IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), a license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the subject license transfer is approved. Such amendment shall be issued and made effective at the time the proposed license transfer is completed.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated December 29, 1998, and supplement dated June 18, 1999, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Coastal Region Library, 8619 W. Crystal Street, Crystal River, Florida 34428.

Dated at Rockville, Maryland, this **8th day of September 1999.**

FOR THE NUCLEAR REGULATORY COMMISSION



Roy P. Zimmerman, Acting Director  
Office of Nuclear Reactor Regulation



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

FLORIDA POWER CORPORATION  
CITY OF ALACHUA  
CITY OF BUSHNELL  
CITY OF GAINESVILLE  
CITY OF KISSIMMEE  
CITY OF LEESBURG  
CITY OF NEW SMYRNA BEACH AND UTILITIES COMMISSION  
CITY OF NEW SMYRNA BEACH  
CITY OF OCALA  
ORLANDO UTILITIES COMMISSION AND CITY OF ORLANDO  
SEMINOLE ELECTRIC COOPERATIVE, INC.  
CITY OF TALLAHASSEE

DOCKET NO. 50-302

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT  
AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.  
License No. DPR-72

1. The Nuclear Regulatory Commission (the Commission) has found that:
  - A. The application for amendment by Florida Power Corporation et al. (the licensees), dated December 29, 1998, as supplemented June 18, 1999, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
  - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
  - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public and (ii) that such activities will be conducted in compliance with the Commission's regulations;
  - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
  - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.



2. Accordingly, the Operating License is amended as indicated in the attachment to this license amendment.
3. This license amendment is effective as of its date of issuance and shall be implemented within 30 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director  
Office of Nuclear Reactor Regulation

Attachment: Changes to the Operating License

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. \_\_\_\_\_

TO FACILITY OPERATING LICENSE NO. DPR-72

DOCKET NO. 50-302

Replace the following page of Operating License No. DPR-72 with the attached page. The revised page is identified by amendment number and contains vertical lines indicating the areas of change.

Remove Page

1

Insert Page

1



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

FLORIDA POWER CORPORATION  
CITY OF ALACHUA  
CITY OF BUSHNELL  
CITY OF GAINESVILLE  
CITY OF KISSIMMEE  
CITY OF LEESBURG  
CITY OF NEW SMYRNA BEACH AND UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH  
CITY OF OCALA  
ORLANDO UTILITIES COMMISSION AND CITY OF ORLANDO  
SEMINOLE ELECTRIC COOPERATIVE, INC.

DOCKET NO. 50-302

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 2  
License No. DPR-72

1. The Nuclear Regulatory Commission (the Commission) having found that:
  - A. The application filed by Florida Power Corporation, City of Alachua, City of Bushnell, City of Gainesville, City of Kissimmee, City of Leesburg, City of New Smyrna Beach and Utilities Commission, City of New Smyrna Beach, City of Ocala, Orlando Utilities Commission and City of Orlando, Sebring Utilities Commission\*, Seminole Electric Cooperative, Inc., and City of Tallahassee\*\* (the licensees) as supplemented by letter dated December 9, 1976, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's rules and regulations set forth in 10 CFR Chapter 1;
  - B. Construction of the Crystal River Unit 3 Nuclear Generating Plant (facility) has been substantially completed in conformity with Provisional Construction Permit No. CPPR-51 and the application, as amended, the provisions of the Act and the rules and regulations of the Commission;
  - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;

\*As of the effective date of Amendment No. 140, Sebring Utilities Commission is no longer a licensee under this license.

\*\*As of the effective date of Amendment No. , the City of Tallahassee is no longer a licensee under this license.

AMENDMENT NO.



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

PROPOSED TRANSFER OF LICENSE

TO THE EXTENT HELD BY THE CITY OF TALLAHASSEE TO

FLORIDA POWER CORPORATION

CRYSTAL RIVER UNIT 3

DOCKET NO. 50-302

1.0 INTRODUCTION

By application dated December 29, 1998, as supplemented on June 18, 1999, Florida Power Corporation (FPC) requested that the United States Nuclear Regulatory Commission (NRC or the Commission) consent to a transfer of Facility Operating License DPR-72 for Crystal River Unit 3 (CR-3), to the extent held by the City of Tallahassee, to FPC. The transfer approval is being requested as a result of the Acquisition Agreement signed by the City of Tallahassee (seller) and FPC (buyer) on December 9, 1998, under which FPC is to purchase the 1.3333-percent interest in CR-3 owned by the seller. This request is being made in accordance with Section 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR 50.80). The application also requests the approval of a conforming amendment pursuant to 10 CFR 50.90.

FPC is an electric utility as defined in 10 CFR 50.2 and is currently a 90.4473-percent majority owner, and the licensed operator, of CR-3. FPC is a wholly owned subsidiary of Florida Progress Corporation. FPC will be a 91.7806-percent majority owner and remain the exclusive operator after the transfer. The City of Tallahassee (City) is a minority owner and co-licensee of CR-3. Through negotiations, FPC and the City reached an agreement that provides for a transfer of the City's 1.3333-percent ownership interest to FPC in exchange for FPC's assuming responsibility for those operating and decommissioning expenses for which the City is presently responsible. The transfer of the City's 1.3333-percent ownership interest in CR-3 to FPC does not involve any proposed change to the management or operation of the plant.

The supplement dated June 18, 1999, did not expand the scope of the application as originally noticed in the *Federal Register*.

2.0 FINANCIAL QUALIFICATIONS ANALYSIS

As specified in its NRC license, FPC is licensed pursuant to Section 104 of the Atomic Energy Act of 1954, as amended, and under the general provisions of 10 CFR Part 50, to own and operate CR-3. Electric utility applicants for a class 104 license are not required to provide further information to demonstrate financial qualifications, pursuant to 10 CFR 50.33(f). FPC is and will remain an electric utility within the meaning of 10 CFR 50.2 following the transfer, according to the application. FPC states that the business of FPC will remain essentially

unchanged after the transfer, and its rates will continue to be regulated by the Florida Public Service Commission and the Federal Energy Regulatory Commission. The staff finds that FPC is financially qualified to hold the license following the transfer.

### 3.0 TECHNICAL QUALIFICATIONS

According to the application, the proposed transfer will not result in any change in the design or operation of CR-3. The proposed transfer will not result in any change in the technical aspects of the CR-3 Facility Operating License or the Improved Technical Specifications, nor any change to the technical qualifications of personnel involved in the maintenance and operation of the facility. The personnel at FPC having control over the licensed activities at CR-3 will not change as a result of the transfer. There will also be no other changes in the management or operations of CR-3 or FPC as a result of this transfer. Accordingly, the NRC staff concludes that the proposed transfer will not affect the technical qualifications of FPC.

### 4.0 ANTITRUST

The Atomic Energy Act does not require or authorize antitrust reviews of post-operating license transfer applications. Kansas Gas and Electric Co., et al. (Wolf Creek Generating Station, Unit 1) CLI-99-19, 49 NRC \_\_\_\_\_, slip op. (June 18, 1999). Therefore, since the transfer application was filed after the issuance of the CR-3 initial Operating License, no antitrust review is required or authorized.

### 5.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

FPC is a Florida corporation with its principal place of business in St. Petersburg, Florida. As stated earlier, FPC is a wholly owned subsidiary of Florida Progress Corporation. The shares of common stock of Florida Progress Corporation are publicly traded and widely held. The directors and officers of FPC and Florida Progress Corporation are U.S. citizens. The applicant states that "[neither] Florida Progress Corporation nor FPC is owned, controlled, or dominated by any alien, foreign corporation, or foreign government." The NRC staff does not know, or have reason to believe that FPC is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

### 6.0 DECOMMISSIONING FUNDING

FPC is an "electric utility" within the meaning of 10 CFR 50.2 and is qualified to use an external sinking fund under 10 CFR 50.75(e)(1)(ii) of the NRC's new decommissioning funding rule. Upon transfer of the City's 1.3333-percent ownership interest in CR-3 to FPC, FPC will assume responsibility, after the closing date, for funding the decommissioning costs associated with this ownership interest, which would be in addition to those costs associated with FPC's existing ownership interest in CR-3. However, the City shall continue to maintain the City's existing non-qualified decommissioning trust fund related to this interest (Decommissioning Trust Fund) as an external sinking fund outside the City's and FPC's administrative control in accordance with 10 CFR 50.75(e)(1)(ii) pursuant to the Decommissioning Trust Agreement dated February 3, 1992, between the City and NCNB National Bank of Florida, Inc. (Decommissioning Trust Agreement).

The applicants state in their June 18, 1999, supplemental filing, that "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 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."

Upon accrual of FPC's decommissioning obligations with respect to CR-3, the trust funds, including all earnings thereon, will be disbursed to FPC for the decommissioning of CR-3. FPC shall provide the City with a notice setting forth the schedule for the decommissioning of CR-3 and the amounts projected to be expended during each year under such schedule. Thereafter, upon receipt of a duly executed disbursement certificate, the City shall disburse monies, which include all earnings thereon, from its Decommissioning Trust Fund to those parties, which may include FPC, that perform any or all tasks associated with decommissioning CR-3 in accordance with the decommissioning schedule provided by FPC.

According to the application, in no event shall the balance, at closing, of accumulated reserves in the Decommissioning Trust Fund be less than \$1.1 million in excess of the City's share, as estimated by FPC, of the funding requirement for decommissioning reserves with respect to the transferred 1.3333-percent of CR-3 as of the closing date. The City shall retain all right, title, and interest in the Decommissioning Trust Fund and shall, at all times, keep such fund invested in accordance with the rules and regulations (and regulatory guides) of the NRC and the Florida Public Service Commission.

In compliance with 10 CFR 50.75(f)(1), each part-owner of CR-3 has furnished information on the status of their decommissioning funds. As of December 31, 1998, FPC had accrued \$309.7 million for its 90.4473-percent share. The NRC staff has calculated that the minimum decommissioning funding required for the whole plant is \$261.9 million (in 1998 dollars). Therefore, even with the City continuing to possess the appropriated share of the decommissioning funds for the 1.3333-percent share of ownership to be sold to FPC, the staff finds that this arrangement is satisfactory under these facts and circumstances.

In light of the above, the staff finds that FPC has complied with the provisions of 10 CFR 50.75 that deal with decommissioning funding for electric utilities. The staff also notes that the City, as a municipal government entity, is able to set its own rates and thus has an assured source of revenue for decommissioning funding. Therefore, the staff further concludes that, given the considerations previously discussed, the City's decommissioning funding mechanism meets the requirements of 10 CFR 50.75(e)(1)(vi), provided that the following conditions are met:

- (1) The use of assets in the Decommissioning Trust Fund shall be limited to the expenses related to decommissioning of CR-3 as defined by the NRC in its regulations and issuances, and as provided in the CR-3 license and any amendments thereto.
- (2) Decommissioning Trust Fund investments in the securities or other obligations of the City or FPC, or affiliates thereof, or their successors or assigns, shall be prohibited. In addition, except for investments tied to market indexes or other non-nuclear sector mutual funds, investments in any entity owning one or more nuclear power plants shall be prohibited.

- (3) No disbursements or payments from the Decommissioning Trust Fund shall be made by the trustee until the trustee has first given the NRC thirty (30) days notice of payment. No disbursements or payments from the Decommissioning Trust Fund shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation, NRC.
- (4) The Decommissioning Trust Agreement shall be amended, to the extent necessary, to be consistent with this Order. It then shall not be modified in any material respect without prior written consent of the Director, Office of Nuclear Reactor Regulation, NRC.
- (5) FPC should be bound to take all appropriate action through its Acquisition Agreement, and any other contracts with the City, or otherwise, to ensure that the maintenance of, and disbursal of funds from the Decommissioning Trust Fund shall be in accordance with the application. Appropriate conditions of approval of the transfer should be imposed to accomplish the foregoing.

## 7.0 CONFORMING AMENDMENT

### 7.1 Introduction

As stated previously, FPC has requested approval of a proposed conforming amendment to CR-3 Operating License DPR-72. The requested change deletes the City of Tallahassee from the license to reflect the proposed transfer of the license, to the extent held by the City of Tallahassee, to FPC.

### 7.2 Discussion

The specific changes to be made are on page one of the Operating License. The changes are to delete the City of Tallahassee from the list of owners and to include a footnote referencing the City in paragraph 1.A of the license specifying the amendment by which the transfer of ownership became effective rendering the City a non-licensee. The amendment involves no safety questions and is administrative in nature. Accordingly, the proposed amendment is acceptable.

## 7.3 CONCLUSION WITH RESPECT TO THE CONFORMING AMENDMENT

The Commission has concluded, based on the considerations discussed above, that (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

## 8.0 STATE CONSULTATION

Based upon a letter dated March 8, 1991, from Mary E. Clark of the State of Florida, Department of Health and Rehabilitative Services, to Deborah A. Miller, Licensing Assistant, U.S. NRC, the State of Florida does not desire notification of issuance of license amendments.

## 9.0 ENVIRONMENTAL CONSIDERATION

The subject application is for approval of the transfer of a license issued by the NRC and approval of a conforming amendment. Accordingly, the action involved meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with approval of the application.

## 10.0 CONCLUSIONS

In view of the foregoing information, the staff concludes that regarding the proposed sale of the City's 1.3333-percent interest in CR-3 to FPC, FPC is financially qualified to meet the operational and maintenance expenses associated with the City's interest in CR-3, once transferred, in addition to such expenses associated with its existing ownership interest. Furthermore, the technical qualifications of FPC will not be affected in connection with the transfer. Also, there do not appear to be any problematic antitrust or foreign ownership considerations related to the CR-3 license that would result from the transfer. Thus, the staff has determined that FPC is qualified to be the holder of the license to the extent previously discussed, and that the transfer of the license, to the extent effected by the proposed sale, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions regarding the City's Decommissioning Trust Fund referenced in Section 6.0 of this safety evaluation.

Principal Contributor: M. Dusaniwskyj

Dated: **September 8, 1999**