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United States Nuclear Regulatory Commission
ATTENTION: Document Control Desk
Washington, DC 20555

H. B. ROBINSON STEAM ELECTRIC PLANT, UNIT NO. 2
DOCKET NO. 50-261 / LICENSE NO. DPR-23

BRUNSWICK STEAM ELECTRIC PLANT, UNIT NOS. 1 AND 2
DOCKET NOS. 50-325 AND 50-324 / LICENSE NOS. DPR-71 AND DPR-62

SHEARON HARRIS NUCLEAR POWER PLANT, UNIT NO. 1
DOCKET NO. 50-400 / LICENSE NO. NPF-63

CLARIFICATION OF DECOMMISSIONING FUNDING STATUS INFORMATION

REFERENCE: Letter PE&RAS-03-017 from Progress Energy Carolinas, Inc. to NRC, "Biennial Decommissioning Funding Status Report and Notification of Change in Decommissioning Funding Method," dated March 28, 2003.

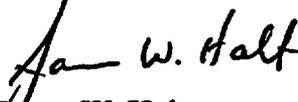
Ladies and Gentlemen:

In the referenced letter, Progress Energy Carolinas, Inc. (PEC) submitted, pursuant to 10 CFR 50.75(f)(1), the biennial status report for funding the decommissioning of each reactor owned, or partially owned, by PEC. As required, the report provided the amount of decommissioning funds estimated to be required, fund balances, projected annual contributions, and assumptions about escalation and earnings rates. However, consistent with previous reports, this information was not broken out by jurisdiction to correlate with the applicable real rate of return. PEC is providing this detail in response to a verbal request for clarification by an NRC Staff member.

This document contains no new regulatory commitment.

Please contact me at (919) 546-6901 if you need additional information concerning this report.

Sincerely,


James W. Holt
Manager - Performance
Evaluation & Regulatory Affairs

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Attachments:

- Attachment 1, Financial Assurance Mechanism Details, H. B. Robinson Steam Electric Plant, Unit No. 2
- Attachment 2, Financial Assurance Mechanism Details, Brunswick Steam Electric Plant, Unit No. 1
- Attachment 3, Financial Assurance Mechanism Details, Brunswick Steam Electric Plant, Unit No. 2
- Attachment 4, Financial Assurance Mechanism Details, Shearon Harris Nuclear Power Plant, Unit No. 1

- c: **L. A. Reyes, Regional Administrator – Region II**
 USNRC Resident Inspector – BSEP, Unit Nos. 1 and 2
 USNRC Resident Inspector – HBRSEP, Unit No. 2
 USNRC Resident Inspector – SHNPP, Unit No. 1
 R. William Borchardt, (Acting) Director – Nuclear Reactor Regulation
 B. L. Mozafari, NRR Project Manager – BSEP, Unit Nos. 1 and 2
 C. P. Patel, NRR Project Manager – SHNPP, Unit No. 1; HBRSEP, Unit No. 2
 M. A. Dusaniwskyj, OWFN 12D1, NRR/DRIP/REXB
- J. A. Sanford - North Carolina Utilities Commission**

Attachment 2
Financial Assurance Mechanism Details

Brunswick Steam Electric Plant, Unit No. 1

Docket No. 50-325 / License No. DPR-71

- Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c)
\$418 million at expiration of current license, September 8, 2016
Progress Energy Carolinas, Inc. share (81.67%) = \$341 million
 \$222 million estimated to be required from North Carolina
 \$119 million estimated to be required from All Others
- Amount of decommissioning funds accumulated as of December 31, 2002
\$106,845,010
 \$68,179,107 accumulated from North Carolina
 \$38,665,903 accumulated from All Others
- Schedule of the annual amounts remaining to be collected

 NRC Required Minimum: \$11.15 million

 \$6.77 million required annually from North Carolina
 \$4.38 million required annually from All Others

 Allowed by North Carolina Utilities \$6,075,477
 Commission and Public Service \$4,934,785 to be collected annually from North Carolina
 Commission of South Carolina: \$1,140,692 to be collected annually from South Carolina

 Under wholesale contracts: \$1,435,370 (contribution is not credited in future years)
- Assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections

 Rate of escalation in decommissioning costs = 0%
 Rate of earnings on decommissioning funds = 3.25% (North Carolina)
 2% (All Other Contributions)

The above assumptions result in an associated real rate of return of 3.25% and 2% for North Carolina and All Other Contributions, respectively. For wholesale contracts, the resultant assumed real rate of return of 2% is only applicable to funds accumulated from previous contributions associated with those contracts.

