



PO Box 1551
411 Fayetteville Street Mall
Raleigh NC 27602

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United States Nuclear Regulatory Commission
ATTENTION: Document Control Desk
Washington, DC 20555-0001

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

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

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT
DOCKET NO. 50-302 / LICENSE NO. DPR-72

H. B. ROBINSON STEAM ELECTRIC PLANT, UNIT NO. 2
INDEPENDENT SPENT FUEL STORAGE INSTALLATION
DOCKET NO. 72-3 / LICENSE NO. SNM-2502

SUBJECT: USE OF ENCRYPTION SOFTWARE FOR ELECTRONIC
TRANSMISSION OF SAFEGUARDS INFORMATION

- REFERENCES: 1. 10 CFR 73.21, Requirements for the Protection of Safeguards Information
2. NRC Regulatory Issue Summary 2002-15, NRC Approval of Commercial Data Encryption Systems for the Electronic Transmission of Safeguards Information

Ladies and Gentlemen:

Pursuant to the requirements of 10 CFR 73.21(g)(3), Carolina Power & Light Company, now doing business as Progress Energy Carolinas, Inc. (PEC), and Florida Power Corporation, now doing business as Progress Energy Florida, Inc. (PEF), request approval to process and transmit Safeguards Information (SGI) using PGP Software (Enterprise, Corporate, or Personal) Desktop Version 8.0 or the latest validated version, developed with PGP Software Developer's Kit (SDK) 3.0.3. National Institute of Standards and Technology Certificate 394 validates compliance of this SDK with Federal Information Processing Standard (FIPS) 140-2 requirements.

An information protection system for SGI that meets the requirements of 10 CFR 73.21(b) through (i) has been established and is being maintained. Prior to the first use of encryption software for SGI material, written procedures shall be in place to describe, as a minimum: access controls; where and when encrypted communications can be made; how encryption keys, codes and passwords will be protected from compromise; actions to be taken if the encryption keys, codes or passwords are, or are suspected to have been, compromised (for example, notification of all authorized users); and how the identity and access authorization of the recipient will be verified.

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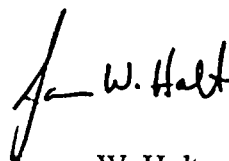
PEC and PEF intend to exchange SGI with the NRC, Nuclear Energy Institute (NEI), and other SGI holders who have received NRC approval to use PGP software. Mr. Eugene Martin, Manager-Nuclear Security, is responsible for the overall implementation of the SGI encryption program at PEC and PEF. Mr. Martin is also responsible for collecting, safeguarding, and disseminating the software tools needed for encryption and decryption of SGI at PEC and PEF.

Pursuant to 10 CFR 73.21(g)(3), the transmission of encrypted material to other authorized SGI holders, who have received NRC approval to use PGP software, would be considered a protected telecommunications system. The transmission and dissemination of unencrypted SGI is subject to the provisions of 10 CFR 73.21(g)(1) and (2).

This document contains no new regulatory commitment.

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

Sincerely,



James W. Holt
Manager - Performance
Evaluation & Regulatory Affairs

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- c: L. A. Reyes, USNRC Regional Administrator – Region II
USNRC Resident Inspector – BNP, Unit Nos. 1 and 2
USNRC Resident Inspector – CR3
USNRC Resident Inspector – HNP, Unit No. 1
USNRC Resident Inspector – RNP, Unit No. 2
B. L. Mozafari, NRR Project Manager – BNP, Unit Nos. 1 and 2; CR3
C. P. Patel, NRR Project Manager – HNP, Unit No. 1; RNP, Unit No. 2

S. A. Morris, USNRC/NSIR TWFN/Mail Stop 4 D6
A. L. Silvius, USNRC/NSIR OWFN/Mail Stop 2 D15
L. H. Grosman, USNRC/OCIO TWFN/Mail Stop 6 D2

J. A. Sanford - North Carolina Utilities Commission

J. W. Davis, NEI