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December 8, 2004

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
 3. Letter from B. K. Vaidya (NRC) to J. W. Holt (Progress Energy), Brunswick Steam Electric Plant, Units 1 and 2, Crystal River Nuclear Generating Plant, Unit 3, Shearon Harris Nuclear Power Plant, Unit 1, and H. B. Robinson Steam Electric Plant, Unit 2 and Independent Spent Fuel Storage Installation— Use of Encryption Software For Secure Transmission Of Safeguards Information (TAC Nos. MC3338, MC3339, MC3340, MC3365, and MC3366), dated June 16, 2004

Ladies and Gentlemen:

On June 16, 2004, by Reference 3, the NRC authorized 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), to use PGP Software Corporate Desktop Version 8.0 for encryption and electronic transmission of Safeguards Information (SGI). Reference 3 further stipulated that later versions of PGP Software Corporate Desktop are also acceptable provided that:

1. Such versions were developed using a software development tool (e.g., PGP SDK 3.0.3) that meets and is validated by the National Institute of Standards and Technology (NIST) to Federal Information Processing Standard (FIPS) 140-2 requirements, and

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2. PEC and PEF notify the NRC of the intention to update the encryption software 30 days prior to its first use, including a description of the new software to be used and a statement indicating NIST certification of the software development tool.

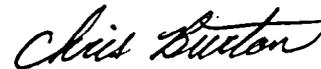
This letter provides the required notification that PEC and PEF will begin using PGP Software Corporate Desktop Version 8.0.3 which was developed with PGP Software Development Kit (SDK) 3.0.3. NIST Certificate Number 394 validates compliance of this software development tool with the FIPS 140-2 requirements.

In an October 4, 2004 letter to the NRC, the Nuclear Energy Institute (NEI) provided notification of the industry's intent to use PGP Version 8.0.3. In a November 19, 2004 response to NEI, the NRC authorized the use of PGP Version 8.0.3 for processing SGI electronically. PEC and PEF understand that the NRC has accepted the NEI notification as meeting the requirement that the NRC be notified 30 days before "first use" of new software.

This document contains no new regulatory commitment.

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

Sincerely,



Chris Burton
Manager - Performance
Evaluation & Regulatory Affairs

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- c: W. D. Travers, 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
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B. L. Mozafari, NRR Project Manager – BNP, Unit Nos. 1 and 2; CR3
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S. A. Morris, USNRC/NSIR/DNS/RSS
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L. H. Grosman, USNRC/OCIO/PMAS

J. A. Sanford - North Carolina Utilities Commission

J. W. Davis, NEI