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NRC FORM 386 (3-2009)		U.S. NUCLEAR REGULATORY COMMISSION				DATE 06/19/2009	
TELECOPIER TRANSMITTAL						TIME 9:45am	
TO							
NAME Paul Sneed						TELEPHONE 919-546-2836	
NAME AND LOCATION OF COMPANY (If other than NRC) Progress Energy							
TELECOPY NUMBER 919-546-7209				VERIFICATION NUMBER 919-546-2836			
FROM							
NAME Douglas Bruner				TELEPHONE 301-415-2730		MAIL STOP T-6D08M	
TELECOPY DATA							
NUMBER OF PAGES THIS PAGE + <u>2</u> PAGES = <u>3</u> TOTAL				PRIORITY <input checked="" type="checkbox"/> IMMEDIATE <input type="checkbox"/> OTHER (Specify)			
SPECIAL INSTRUCTIONS Paul, Questions for Tuesday's teleconference. Thanks, Doug							



DATE

06/19/2009

TIME

9:45am

TELECOPIER TRANSMITTAL

TO

NAME

Paul Snead

TELEPHONE

919-546-2836

NAME AND LOCATION OF COMPANY (If other than NRC)

Progress Energy

TELECOPY NUMBER

919-546-7209

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Douglas Bruner

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MAIL STOP

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SPECIAL INSTRUCTIONS

Paul,

Questions for Tuesday's teleconference.

Thanks,

Doug

If PEF will claim they get an exemption from the "purchase of machinery and equipment . . . necessary in the production of electrical or steam energy resulting from the burnig of boiler fuels," we need to ask:

1. Clarify how a nuclear reactor qualifies as a fuel-fired boiler.
2. Explain how electricity is a "tangible personal property" item. (Sec. 212.08(5)(c), FL Stat. states "such electrical or steam energy must be primarily for the use in *manufacturing, processing, compounding, or producing for sale* items of tangible personal property in this state." (emphasis added) In other words, the electricity is not the saleable item, the electricity is an input into production.
3. Provide the staff with correspondence from the Florida Department of Revenue that confirms PEF's interpretation of the statute. It should include confirmation that the FL DofR considers electricity to be a tangible personal property item.
4. With regard to FL Stat. 212.051 (on page two of the PEF response) PEF says it can claim a Control or Abatement of Pollution Exemption. PEF needs to explain how a new nuclear power plant constructed to meet new demand (not replace existing "dirty" supply), can be considered a "facility, device, fixture, equipment, machinery, specialty chemical, or bioaugmentation product used *primarily* for the contril or abatement of pollution or contaminants in manufacturing . . . items of tangible personal property." (emphasis added) Since there is little pollution from an operating nuclear power plant, qualification for an exemption under this statute seems a stretch. Now, if the Levy need for power explains how some of the electricity produced at the proposed project will replace a dirty coal-fired plant, then that portion of the new plant may be qualified for this exemption.
5. As with the point 3 above, the staff will need a confirmatory letter from the Florida Department of Revenue detailing how this exemption will work.
6. For all exemptions claimed, PEF needs to clarify the math. For a \$100 unexempted tax burden, does the 25% exemption result in a \$75 or a \$25 actual tax burden?
7. PEF needs to estimate the number of customers who will receive a sales tax xemption on the electricity they purchase from PEF. This estimate should include the value of that exempted electricity (in avoided tax revenue dollars and in kWh).
8. Even with the residential exemption, some sales tax on electricity will be collected. PEF needs to report that, again in dollars and kWh.

This is what has been emerging from my read. I think we need to ask Doug Bruner to set up a conference call with PEF to clarify these things. What do you think?

NRC RAI # 4.4.2-1, PGN RAI ID#: L-0411. Starting on page 107 of 120 of Enclosure 1 to Serial: NPD-NRC-2009-107

044 Attachment 4.4.2-1B provides a table on pages 6-7 that summarizes data on construction employment for Levy, Marion and Citrus Counties for 1990. It does not provide similar summary tables for 2000 and 2005. The raw data may be there, but it will take effort on our part to pull it into summary tables. Please provide summary tables for 2000 and 2005

043 Attachment 4.42-1A continues to use the statistical areas, not counties, and is not responsive to our request, but the summary tables requested above for 2000 and 2005 should address the request.

NRC RAI # 4.4.2-9, PGN RAI ID#: L-0416. Starting on page 115 of 120 of Enclosure 1 to Serial: NPD-NRC-2009-107

Need further explanation of the last paragraph of the response on page 119 of 120:

“Clarification of PGN’s February 2008 statement that the LNP will be assessed at 100 percent and the estimates reflect “a reduction in value for pollution control property estimated at 25% of value.” This 25 percent reflects an estimate of the amount of pollution control property and not value, so PEF is approximating 25 percent of costs equal pollution control property. Per Florida statutes, pollution control property is valued at salvage value. As noted above, since most of the county property assessors assume a salvage value of 10 percent, the calculated value reduction would be 90 percent X 25 percent.”

