

June 8, 2010

MEMORANDUM TO: Robert D. Carlson, Chief
Financial Analysis Branch
Division of Policy and Rulemaking
Office of Nuclear Reactor Regulation

FROM: Aaron L. Szabo, Financial Analyst */RA/*
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SUBJECT: THE NUCLEAR REGULATORY COMMISSION STAFF
"SPOT-CHECK" REVIEW OF NORTH CAROLINA EASTERN
MUNICIPAL POWER AGENCY'S OWNERSHIP INTERESTS OF
SHEARON HARRIS NUCLEAR POWER PLANT UNIT 1 AND
BRUNSWICK STEAM ELECTRIC PLANT UNITS 1 AND 2 ON
MAY 21, 2010 – FINDING OF POTENTIAL ISSUES IN BANK
STATEMENTS

Pursuant to SECY-07-0197, the Nuclear Regulatory Commission (NRC) staff has been instructed to perform "Spot-checks" on licensees to ensure that the amount reported to the NRC in the Decommissioning Funding Status (DFS) Report is equivalent to the amount the licensee has in their bank account, as of December 31 of the preceding year. After providing at least 10 days prior notice, the NRC Staff, on May 21, 2010, performed the "Spot-check" at 1427 Meadow Wood Boulevard, Raleigh, North Carolina, where North Carolina Eastern Municipal Power Agency (NCEMPA) holds/receives the original bank statements for Shearon Harris Nuclear Power Plant Unit 1 (Harris 1) and Brunswick Steam Electric Plant Units 1 and 2 (Brunswick 1 and 2) from State Street Advisors.

After the NRC staff's "Spot-check" of Brunswick 1 at the location of the original bank statements, the NRC staff found potential issues related to the amount reported to the NRC in the 2009 DFS Report and the stated amount in the bank statements dated December 31, 2008. The bank statements of NCEMPA were divided into multiple funds. The total of all of the funds was not equivalent to the amount provided to the NRC in the 2009 DFS Report.

Before the meeting with NCEMPA, NCEMPA voluntarily submitted an addendum to their 2009 DFS Report. During the meeting with NCEMPA, the NRC staff member noted the discrepancy in the original 2009 DFS Report and that the addendum to the 2009 DFS Report matches the amount in the December 31, 2008 bank statement.

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Because potential issues were found in the NRC staff's "Spot-check" of Brunswick Unit 1, further action may be required. However, because no issues were found in the NRC staff's "Spot-check" of Harris 1 and Brunswick 2, this memo serves to close out the "Spot-Check" in relation to NCEMPA's ownership interest in Harris 1 and Brunswick 2.

Docket No(s). 50-400, 50-325, 50-324

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Docket No(s). 50-400, 50-325, 50-324

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