

Wert, Leonard

From: Sykes, Marvin R2
Sent: Monday, January 25, 2010 5:19 PM
To: Wert, Leonard; Munday, Joel
Cc: Hannah, Roger; Ledford, Joey; Diaz-Toro, Diana; Kennedy, Kriss; Christensen, Harold; Franke, Mark
Subject: Progress Energy Releases Schedule for CR3 Return to Service
Attachments: PSC Letter.doc.pdf

Len/Joel,

In a letter submitted to the FL Public Service Commission (PSC), Progress Energy noted that they anticipated returning CR3 to service mid-2010.

A copy of the letter to the PSC is attached.

Although this is not new information to the staff, it is the first time that Progress Energy has publicly announced that the plant outage would continue for more than 6-months to address the unanticipated reactor building concrete delamination.

If you have questions, please call.
Marvin

F60

Status Update Regarding the Crystal River Unit 3 Steam Generator Replacement Outage

Crystal River Unit 3 ("CR3") entered a planned unit outage on September 26, 2009 as part of the Steam Generator Replacement ("SGR") project for that unit. CR3 was scheduled to return to service on December 19, 2009. During the course of the project, however, PEF discovered cracking in the section of the containment wall that was opened for the SGR project. After investigation, PEF discovered a "de-lamination" of some of the concrete in the section of the containment wall near the SGR opening. PEF informed the Nuclear Regulatory Commission ("NRC") of this discovery and began a root cause evaluation to determine the cause of the de-lamination.

The company and its engineering contractors are nearing completion of an exhaustive review of the root cause of the de-lamination in the unit's exterior containment structure. The analysis team identified over 70 different potential root cause failure modes for the de-lamination and has narrowed this list to a handful of remaining failure modes. Although the analysis is not complete, the remaining variables appear to point toward the interplay between several factors. We expect to have this review completed by the end of January, 2010.

The Company has also developed a work plan to complete the repairs to the building structure. We are mobilizing our efforts to begin the repairs, which we expect to commence once we have further insight from our root cause analysis. The NRC has a designated team of experts in place to evaluate and observe our entire approach to this issue. We have frequent meetings with the NRC representatives to update them on our work processes and are keeping them fully informed as to our plans. We will provide the root cause analysis to the NRC when it is completed as well as our plan to repair the structure.

At present, we do not have a firm return to service date for CR3, nor do we have finalized estimates on repair and replacement power costs, which will be in large part a function of schedule. Once our repair plans have been finalized we will provide those estimates to you promptly. Based on what we know at this time, we do expect that all repairs will be completed so that CR3 will return to service by mid-year.

Our current focus is on returning CR3 to service safely and quickly. Once CR3 returns to service, PEF plans to ask the Florida Public Service Commission to open a docketed matter regarding this outage so that the Commission and all interested parties can review all the relevant facts and information regarding the outage, the root cause, and the repair process.

The Company is confident that it will be able to continue to meet peak load and reserve margin requirements through company-owned generation and purchases if needed as it did during peak records earlier this month.