



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

December 2, 2011

Mr. James Scarola
Senior Vice President
and Chief Nuclear Officer
Carolina Power & Light Company
Florida Power Corporation
Progress Energy, Inc.
P. O. Box 1511
411 Fayetteville Street
Raleigh, NC 27602

SUBJECT: ORDERS APPROVING INDIRECT TRANSFER OF CONTROL OF LICENSES OF BRUNSWICK STEAM ELECTRIC PLANT, UNITS 1 AND 2; SHEARON HARRIS NUCLEAR POWER PLANT, UNIT 1; H. B. ROBINSON STEAM ELECTRIC PLANT, UNIT 2; H. B. ROBINSON STEAM ELECTRIC PLANT INDEPENDENT SPENT FUEL STORAGE INSTALLATION; AND CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT (TAC NOS. ME5970, ME5971, ME5972, ME5973, ME5974, AND L24550)

Dear Mr. Scarola:

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its review of the application dated March 30, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML11110A031), as supplemented by letter dated September 2, 2011, (ADAMS Accession No. ML11255A129), requesting approval of the indirect transfer of the following licenses, as a result of the proposed corporate merger between Progress Energy, Inc. (Progress Energy) and Duke Energy Corporation. Progress Energy is the ultimate parent corporation of both Carolina Power & Light Company and Florida Power Corporation.

- a) Brunswick Steam Electric Plant (Brunswick), Units 1 and 2 (Docket Nos. 50-325 and 50-324), Renewed Facility Operating License Nos. DPR-71 and DPR-62;
- b) Shearon Harris Nuclear Power Plant (Harris), Unit 1 (Docket No. 50-400), Renewed Facility Operating License No. NPF-63;
- c) H. B. Robinson Steam Electric Plant (Robinson), Unit No. 2 (Docket No. 50-261), Renewed Facility Operating License No. DPR-23;
- d) Robinson, Unit 2, Independent Spent Fuel Storage Installation (Docket No. 72-3), Renewed Materials License No. SNM-2502; and
- e) Crystal River Unit 3 Nuclear Generating Plant (Docket No. 50-302), Facility Operating License No. DPR-72.

The enclosed Orders (Enclosures 1 through 4) approve the proposed indirect ownership transfers pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Sections 50.80 and 72.50 and are subject to the conditions described therein.

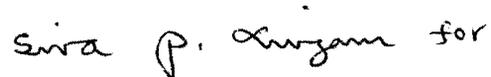
J. Scarola

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Enclosure 5 is the NRC staff's Safety Evaluation (SE) related to the preceding actions. The SE will be placed in the NRC public document room and added to the ADAMS Publicly Available Records System Library.

The Orders have been forwarded to the Office of the Federal Register for publication.

Sincerely,

A handwritten signature in black ink that reads "Sara P. Saba for". The signature is written in a cursive style.

Farideh E. Saba, Senior Project Manager
Plant Licensing Branch 2-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-325, 50-324, 50-302
50-400, 50-261, 72-3

Enclosures: As stated

cc w/encls: Distribution via Listserv

ENCLOSURE 1

ORDER APPROVING APPLICATION REGARDING
INDIRECT TRANSFER OF CONTROL OF LICENSES FOR
BRUNSWICK STEAM ELECTRIC PLANT (BRUNSWICK),
UNITS 1 AND 2
RESULTING FROM THE PROPOSED MERGER BETWEEN
PROGRESS ENERGY, INC., AND DUKE ENERGY CORPORATION

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
CAROLINA POWER & LIGHT COMPANY)	
)	
NORTH CAROLINA EASTERN)	
MUNICIPAL POWER AGENCY)	
)	
Brunswick Steam Electric Plant)	License Nos. DPR-71 and DPR-62
Units 1 and 2)	Docket Nos. 50-325 and 50-324

ORDER APPROVING INDIRECT TRANSFER OF CONTROL OF LICENSES

I.

Carolina Power & Light Company (CP&L, the licensee) and North Carolina Eastern Municipal Power Agency are the owners of Brunswick Steam Electric Plant (Brunswick), Units 1 and 2, including Brunswick Independent Spent Fuel Storage Installation (ISFSI). With respect to their ownership, they are coholders of Renewed Facility Operating License Nos. DPR-71 and DPR-62. The Brunswick facility consists of two General Electric boiling water reactors and an ISFSI located in Brunswick County, North Carolina. The facility operating licenses authorize CP&L to possess, use, and operate the Brunswick facility.

II.

By application dated March 30, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML11110A031), as supplemented by letter dated September 2, 2011 (ADAMS Accession No. ML11255A129) (collectively hereinafter referred to as the application), the licensee requested, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and Section 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR), that the Nuclear Regulatory Commission (NRC, the Commission) consent to the proposed indirect transfer of control of the facility operating licenses for Brunswick, to the extent held by

CP&L. The proposed indirect transfer of control of the licenses results from the proposed corporate merger between Progress Energy, Inc. (Progress Energy) and Duke Energy Corporation (Duke Energy). Progress Energy is CP&L's ultimate parent corporation. As part of the transaction, Progress Energy will merge with Diamond Acquisition Corporation, a wholly owned subsidiary of Duke Energy. Progress Energy will be the surviving entity and will become a wholly owned subsidiary of Duke Energy. Progress Energy will become an intermediate parent corporation of CP&L.

The ownership interest in Brunswick held by CP&L is 81.67 percent and that held by North Carolina Eastern Municipal Power Agency is 18.33 percent. CP&L is the sole operator of Brunswick. The proposed indirect transfer of control of the Brunswick operating licenses will not result in any change in the role of the CP&L as the licensed operator and owner of the Brunswick facility and will not result in any changes to its financial qualifications, decommissioning funding assurance, or technical qualifications. CP&L will retain the requisite qualifications to own and operate the licensed facility. North Carolina Eastern Municipal Power Agency is not involved in the proposed transaction and will continue to own 18.33 percent of the Brunswick facility.

Approval of the indirect transfer of control of the facility operating licenses was requested by CP&L. A notice entitled, "Notice of Consideration of Approval of Application for Indirect License Transfers Resulting from the Proposed Merger Between Progress Energy, Inc., and Duke Energy Corporation, and Opportunity for Hearing," was published in the *Federal Register* on August 30, 2011 (76 FR 53970). No comments or hearing requests were received.

Pursuant to 10 CFR 50.80(a), no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the NRC shall give its consent in writing. Upon review of the information in the application, and other information

before the Commission, and relying on the representations in the application, the NRC staff has determined that the proposed indirect transfer of control of the Brunswick licenses to the extent held by CP&L, to the extent affected by the proposed corporate merger between Progress Energy and Duke Energy Corporation, will not affect the qualifications of CP&L as holder of the Brunswick licenses, and is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto. The findings set forth above are supported by a safety evaluation dated December 2, 2011.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended (42 USC §§ 2201(b), 2201(i), 2201(o), and 2234, respectively); and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect license transfers related to the proposed merger is approved.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals associated with the proposed indirect transfer action, CP&L shall inform the Director of the Office of Nuclear Reactor Regulation in writing of the date of the closing of the corporate merger of Progress Energy and Duke Energy. Should the indirect transfer of control of the licenses not be completed by December 2, 2012, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by order of the Commission.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated March 30, 2011, as supplemented by letter dated September 2, 2011, and the Safety Evaluation dated December 2, 2011, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555

Rockville Pike, Rockville, Maryland. Publicly available documents created or received at the NRC are accessible electronically through ADAMS at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 2nd day of December 2011.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in black ink that reads "Michele G. Evans". The signature is written in a cursive style with a large initial "M".

Michele G. Evans, Director
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

ENCLOSURE 2

ORDER APPROVING APPLICATION REGARDING
INDIRECT TRANSFER OF CONTROL OF LICENSE FOR
SHEARON HARRIS NUCLEAR POWER PLANT, UNIT 1
RESULTING FROM THE PROPOSED MERGER BETWEEN
PROGRESS ENERGY, INC., AND DUKE ENERGY CORPORATION

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
CAROLINA POWER & LIGHT COMPANY)	
)	
NORTH CAROLINA EASTERN)	
MUNICIPAL POWER AGENCY)	
)	
Shearon Harris Nuclear Power Plant, Unit 1)	License No. NPF-63
)	Docket No. 50-400

ORDER APPROVING INDIRECT TRANSFER OF CONTROL OF LICENSE

I.

Carolina Power & Light Company (CP&L, the licensee) and North Carolina Eastern Municipal Power Agency are the owners of Shearon Harris Nuclear Power Plant (Harris), Unit 1. With respect to their ownership, they are coholders of Renewed Facility Operating License No. NPF-63. The Harris facility consists of a single unit Westinghouse three-loop pressurized water reactor located in Wake and Chatham Counties, North Carolina. The facility operating license authorizes CP&L to possess, use, and operate the Harris facility.

II.

By application dated March 30, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML11110A031), as supplemented by letter dated September 2, 2011 (ADAMS Accession No. ML11255A129) (collectively hereinafter referred to as the application), the licensee requested, on its own behalf, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and Section 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR), that the Nuclear Regulatory Commission (NRC, the Commission) consent to the proposed indirect transfer of control of facility operating license to for Harris, Unit 1, to the extent held by CP&L. The proposed indirect transfer of control of the Harris

license results from the planned corporate merger between Progress Energy, Inc. (Progress Energy) and Duke Energy Corporation (Duke Energy). Progress Energy is CP&L's ultimate parent corporation. As part of the transaction, Progress Energy will merge with Diamond Acquisition Corporation, a wholly owned subsidiary of Duke Energy. Progress Energy will be the surviving entity and will become a wholly owned subsidiary of Duke Energy. Progress Energy will become an intermediate parent corporation of CP&L.

The ownership interest in Harris held by CP&L is 83.83 percent and that held by North Carolina Eastern Municipal Power Agency is 16.17 percent. CP&L is the sole operator of Harris. The proposed indirect transfer of control of the Brunswick operating license will not result in any change in the role of the CP&L as the licensed operator and owner of the licensed facilities and will not result in any changes to its financial qualifications, decommissioning funding assurance, or technical qualifications. CP&L will retain the requisite qualifications to own and operate the licensed facility. North Carolina Eastern Municipal Power Agency is not involved in the proposed transaction and will continue to own 16.17 percent of Harris facility.

Approval of the indirect transfer of control of the facility operating license was requested by CP&L. A notice entitled, "Notice of Consideration of Approval of Application for Indirect License Transfers Resulting from the Proposed Merger Between Progress Energy, Inc. and Duke Energy Corporation, and Opportunity for Hearing," was published in the *Federal Register* on August 30, 2011 (76 FR 53967). No comments or hearing requests were received.

Pursuant to 10 CFR 50.80(a), no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the NRC shall give its consent in writing. Upon review of the information in the application and other information before the Commission, and relying on the representations in the application, the NRC staff has determined that the proposed indirect transfer of control of the Harris license to the extent held

by CP&L, to the extent affected by the planned corporate merger between Progress Energy and Duke Energy Corporation, will not affect the qualifications of CP&L as holder of the Harris license and is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto. The findings set forth above are supported by a safety evaluation dated December 2, 2011.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended (42 USC Sections 2201(b), 2201(i), 2201(o), and 2234 respectively); and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect license transfer related to the proposed merger is approved.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed indirect transfer action, CP&L shall inform the Director of the Office of Nuclear Reactor Regulation in writing of the date of the closing of the corporate merger of Progress Energy and Duke Energy. Should the indirect transfer of control of the licenses not be completed by December 2, 2012, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by order of the Commission.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated March 30, 2011, as supplemented by letter dated September 2, 2011, and the Safety Evaluation dated December 2, 2011, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available documents created or received at the NRC are accessible electronically through ADAMS at

<http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 2nd day of December 2011.

FOR THE NUCLEAR REGULATORY COMMISSION



Michele G. Evans, Director
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

ENCLOSURE 3

ORDER APPROVING APPLICATION REGARDING
INDIRECT TRANSFER OF CONTROL OF LICENSES FOR
H. B. ROBINSON STEAM ELECTRIC PLANT (ROBINSON), UNIT NO. 2,
ROBINSON, UNIT 2, INDEPENDENT SPENT FUEL STORAGE
INSTALLATION
RESULTING FROM THE PROPOSED MERGER BETWEEN
PROGRESS ENERGY, INC., AND DUKE ENERGY CORPORATION

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
CAROLINA POWER & LIGHT COMPANY)	
)	
H. B. Robinson Steam Electric Plant,)	
Unit No. 2)	License Nos. DPR-23 and SNM-2502
H. B. Robinson Steam Electric Plant, Unit 2)	Docket Nos. 50-261 and 72-3
Independent Spent Fuel Storage Installation))	

ORDER APPROVING INDIRECT TRANSFER OF CONTROL OF LICENSES

I.

Carolina Power & Light Company (CP&L, the licensee) is the owner of the H. B. Robinson Steam Electric Plant (Robinson), Unit No. 2, Renewed Facility Operating License No. DPR-23, and the Robinson Unit No. 2 Independent Spent Fuel Storage Installation (ISFSI), Renewed Materials License No. SNM-2502. The Robinson facility consists of a single unit Westinghouse three-loop pressurized water reactor and an ISFSI located in Darlington County, South Carolina. The facility operating license and materials license authorize CP&L to possess, use, and operate the Robinson facility.

II.

By application dated March 30, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML11110A031), as supplemented by letter dated September 2, 2011 (ADAMS Accession No. ML11255A129) (collectively hereinafter referred to as the application), the licensee requested, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and Sections 50.80 and 72.50 of Title 10 of the *Code of Federal Regulations* (10 CFR), that the Nuclear Regulatory Commission (NRC, the Commission) consent to the proposed indirect transfer of control of the facility operating license and materials

license for Robinson. The proposed indirect transfer of control of the licenses results from the planned corporate merger between Progress Energy, Inc. (Progress Energy) and Duke Energy Corporation (Duke Energy). Progress Energy is CP&L's ultimate parent corporation. As part of the transaction, Progress Energy will merge with Diamond Acquisition Corporation, a wholly owned subsidiary of Duke Energy. Progress Energy will be the surviving entity and will become a wholly owned subsidiary of Duke Energy. Progress Energy will become an intermediate parent corporation of CP&L.

CP&L holds 100 percent ownership and is the sole operator of the Robinson facility. The proposed indirect transfer of control of the Robinson licenses will not result in any change in the role of the CP&L as the licensed operator and owner of the Robinson facility and will not result in any changes to its financial qualifications, decommissioning funding assurance, or technical qualifications. CP&L will retain the requisite qualifications to own and operate the licensed facility.

Approval of the indirect transfer of control of the facility operating license and the material license for Robinson was requested by CP&L. A notice entitled, "Notice of Consideration of Approval of Application for Indirect License Transfers Resulting from the Proposed Merger Between Progress Energy, Inc. and Duke Energy Corporation, and Opportunity for Hearing," was published in the *Federal Register* on August 31, 2011 (76 FR 54261). No comments or hearing requests were received.

Pursuant to 10 CFR 50.80(a), no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the NRC shall give its consent in writing. Also, pursuant to 10 CFR 72.50(a), no license or any part included in a license issued under part [72] for an ISFSI shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of

the license to any person, unless the Commission gives its consent in writing. Upon review of the information in the application and other information before the Commission, and relying on the representations in the application, the NRC staff has determined that the proposed indirect transfer of control of the Robinson licenses held by CP&L, to the extent affected by the proposed corporate merger between Progress Energy and Duke Energy Corporation, will not affect the qualifications of CP&L as holder of the Robinson licenses and is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto. The findings set forth above are supported by a safety evaluation dated December 2, 2011.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended (42 USC Sections 2201(b), 2201(i), 2201(o), and 2234, respectively); and Sections 50.80 and 72.50 of 10 CFR, IT IS HEREBY ORDERED that the application regarding the proposed indirect license transfers related to the proposed merger is approved.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals associated with the proposed indirect transfer action, CP&L shall inform the Director of the Office of Nuclear Reactor Regulation in writing of the date of the closing of the corporate merger of Progress Energy and Duke Energy. Should the indirect transfer of control of the licenses not be completed by December 2, 2012, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by order of the Commission.

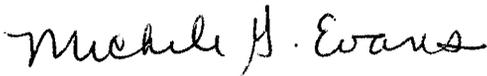
This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated March 30, 2011, as supplemented by letter dated September 2, 2011, and the Safety Evaluation

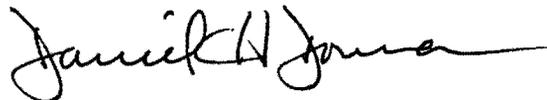
dated December 2, 2011, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike, Rockville, Maryland. Publicly available documents created or received at the NRC are accessible electronically through ADAMS <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 2nd day of December 2011.

FOR THE NUCLEAR REGULATORY COMMISSION



Michele G. Evans, Director
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation



Daniel H. Dorman, Acting Director
Office of Nuclear Material Safety and
Safeguards

ENCLOSURE 4

ORDER APPROVING APPLICATION REGARDING
INDIRECT TRANSFER OF CONTROL OF LICENSE FOR
CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT
RESULTING FROM THE PROPOSED MERGER BETWEEN
PROGRESS ENERGY, INC., AND DUKE ENERGY CORPORATION

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
FLORIDA POWER CORPORATION,)	
ET AL)	
)	
Crystal River Unit 3)	License No. DPR-72
Nuclear Generating Plant)	Docket No. 50-302

ORDER APPROVING INDIRECT TRANSFER OF CONTROL OF LICENSE

I.

Florida Power Corporation (FPC, the licensee) and nine other entities are the owners of Crystal River Unit 3 Nuclear Generating Plant (Crystal River), Facility Operating License No. DPR-72.

The ownership interest in Crystal River is held by ten owners in the following percentages:

Florida Power Corporation	91.78%
City of Alachua, Florida	0.08%
City of Bushnell, Florida	0.04%
City of Gainesville, Florida	1.41%
Kissimmee Utility Authority	0.68%
City of Leesburg, Florida	0.82%
Utilities Commission of the City of New Smyrna Beach	0.56%
City of Ocala, Florida	1.33%
Orlando Utilities Commission	1.60%
Seminole Electric Cooperative, Inc.	1.70%

With respect to their ownership, they are co-holders of the Crystal River facility. The Crystal River facility consists of a single unit, Babcock and Wilcox two-loop pressurized water reactor located in Citrus County, Florida. The operating license authorized FPC to possess, use and operate the Crystal River facility.

II.

By application dated March 30, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML11110A031), as supplemented by letter dated

September 2, 2011 (ADAMS Accession No. ML11255A129) (collectively hereinafter referred to as the application), the licensee requested, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and Section 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR), that the Nuclear Regulatory Commission (NRC, the Commission) consent to the proposed indirect transfer of control of the facility operating license for Crystal River, to the extent held by FPC. The proposed indirect transfer of control of the license results from the planned corporate merger between Progress Energy, Inc. (Progress Energy) and Duke Energy Corporation (Duke Energy). Progress Energy is FPC's ultimate parent corporation. As part of the transaction, Progress Energy will merge with Diamond Acquisition Corporation, a wholly owned subsidiary of Duke Energy. Progress Energy will be the surviving entity and will become a wholly owned subsidiary of Duke Energy. Progress Energy will become an intermediate parent corporation of FPC.

FPC is the sole operator of Crystal River. The proposed indirect transfer of control of the Crystal River license will not result in any change in the role of FPC as the licensed operator and owner of the licensed facilities and will not result in any changes to its financial qualifications, decommissioning funding assurance, or technical qualifications. FPC will retain the requisite qualifications to own and operate the licensed facility. The other nine owners are not involved in the proposed transaction and will continue to own the same percentages of ownership in Crystal River as before the transaction.

Approval of the indirect transfer of the facility operating license was requested by FPC. A notice entitled, "Notice of Consideration of Approval of Application for Indirect License Transfers Resulting from the Proposed Merger Between Progress Energy, Inc. and Duke Energy Corporation, and Opportunity for Hearing," was published in the *Federal Register* on August 30, 2011 (76 FR 53972). No comments or hearing requests were received.

Pursuant to 10 CFR 50.80(a), no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the U.S. Nuclear Regulatory Commission (NRC) shall give its consent in writing. Upon review of the information in the licensee's application, and other information before the Commission, and relying on the representations in the application, the NRC staff has determined that the proposed indirect transfer of control of the Crystal River license to the extent held by FPC, to the extent affected by the proposed corporate merger between Progress Energy and Duke Energy, will not affect the qualifications of FPC as holder of the Crystal River facility operating license, and is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto. The findings set forth above are supported by a safety evaluation dated December 2, 2011.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended (42 USC Sections 2201(b), 2201(i), 2201(o), and 2234, respectively); and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the proposed indirect license transfer related to the proposed merger is approved.

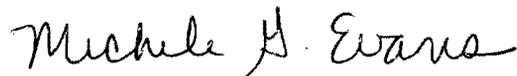
IT IS FURTHER ORDERED that after receipt of all required regulatory approvals associated with the proposed indirect transfer action, FPC shall inform the Director of the Office of Nuclear Reactor Regulation in writing of the date of the closing of the corporate merger of Progress Energy and Duke Energy. Should the indirect transfer of control of the licenses not be completed by December 2, 2012, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by order of the Commission.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated March 30, 2011, as supplemented by letter dated September 2, 2011, and the Safety Evaluation dated December 2, 2011, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike, Rockville, Maryland. Publicly available documents created or received at the NRC are accessible electronically through ADAMS at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 2nd day of December 2011.

FOR THE NUCLEAR REGULATORY COMMISSION



Michele G. Evans, Director
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
FOR INDIRECT LICENSE TRANSFERS RESULTING FROM
THE PROPOSED MERGER BETWEEN PROGRESS ENERGY, INC.
AND DUKE ENERGY CORPORATION FOR

RENEWED FACILITY OPERATING LICENSE NOS. DPR-71 AND DPR-62
BRUNSWICK STEAM ELECTRIC PLANT (BRUNSWICK), UNITS 1 AND 2
DOCKET NOS. 50-325 AND 50-324;

RENEWED FACILITY OPERATING LICENSE NO. NPF-63
SHEARON HARRIS NUCLEAR POWER PLANT (HARRIS), UNIT 1, DOCKET NO. 50-400;

RENEWED FACILITY OPERATING LICENSE NO. DPR-23
H. B. ROBINSON STEAM ELECTRIC PLANT (ROBINSON), UNIT NO. 2, DOCKET 50-261;

RENEWED MATERIALS LICENSE NO. SNM-2502
ROBINSON, UNIT 2, INDEPENDENT SPENT FUEL STORAGE INSTALLATION
DOCKET NO. 72-3;

AND

FACILITY OPERATING LICENSE NO. DPR-72
CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT (CRYSTAL RIVER),
DOCKET NO. 50-302

1.0 INTRODUCTION

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (the "Act"), and Section 50.80, "Transfer of Licenses" and Section 72.50, "Transfer of Licenses," to Title 10 of the *Code of Federal Regulations* (10 CFR), Carolina Power & Light Company (CP&L), and Florida Power Corporation (FPC) (collectively the licensees), subsidiaries of Progress Energy, Inc. (Progress Energy), by application dated March 30, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML11110A031), supplemented by letter

dated September 2, 2011 (ADAMS Accession No. ML11255A129) (collectively "the application", requested that the Nuclear Regulatory Commission (NRC) consent to the indirect transfer of control of the following licenses to the extent held by CP&L or FPC:

- a) Brunswick Steam Electric Plant (Brunswick), Units 1 and 2, Facility Operating Licenses DPR-71 and DPR-62 (CP&L)
- b) Shearon Harris Nuclear Plant (Harris), Unit 1, Facility Operating License NPF-63 (CP&L)
- c) H. B. Robinson Steam Electric Plant (Robinson), Unit No. 2, Facility Operating License DPR-23 (CP&L)
- d) Robinson, Unit 2, Independent Spent Fuel Storage Installation (ISFSI), Renewed Materials License No. SNM-2502 (CP&L)
- e) Crystal River Unit 3 Nuclear Generating Plant (Crystal River), Facility Operating License DPR-72 (FPC)

Progress Energy is CP&L and FPC's ultimate parent corporation. Progress Energy's letter dated September 2, 2011, provided clarifying information and did not change the scope or nature of the licensees' March 30, 2011 submittal.

The indirect transfer will occur due to the proposed merger of Duke Energy Corporation (Duke Energy) and Progress Energy pursuant to the terms and conditions of a merger agreement dated January 8, 2011. Both Progress Energy and Duke Energy are electric utilities, as defined in 10 CFR 50.2: "Electric utility means any entity that generates or distributes electricity and which recovers the cost of this electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority. Investor-owned utilities, including generation or distribution subsidiaries, public utility districts, municipalities, rural electric cooperatives, and State and Federal agencies, including associations of any of the foregoing, are included within the meaning of "electric utility."

On March 31, 2011 (ADAMS Accession No. ML110940178), Duke Energy submitted a letter requesting that the NRC make a threshold determination that the proposed merger of Duke Energy and Progress Energy will not constitute a direct or indirect transfer of the NRC licenses held by Duke Energy. The NRC staff has addressed this request in a separate letter, dated November 14, 2011, to Duke Energy (ADAMS Accession No. ML1123A271). The NRC staff concluded that there would be no transfer of control of the licenses currently held by Duke Energy and, thus, no approval was required pursuant to 10 CFR 50.80 and 72.50.

2.0 BACKGROUND

The terms and conditions of the proposed transaction are set forth in the Agreement and Plan of Merger, dated January 8, 2011, by and among Duke Energy, Diamond Acquisition Corporation, and Progress Energy (Merger Agreement). A copy of the Merger Agreement is included in Enclosure 2 of the application. Under the terms of the Merger Agreement, Diamond Acquisition Corporation (Merger Subsidiary),¹ a wholly owned direct subsidiary of Duke Energy, will merge with and into Progress Energy. Each share of Progress Energy common stock will be cancelled and converted into the right to receive 2.6125 shares of Duke Energy common stock, subject to

¹ Diamond Acquisition Corporation will be created expressly to merge with Progress Energy.

certain adjustments. Progress Energy will become a wholly owned direct subsidiary of Duke Energy and the former shareholders of Progress Energy will become shareholders of Duke Energy. Charts showing the pre-and post-merger organizational structures of Progress Energy and Duke Energy were included with this application as Enclosure 3.

Following completion of the merger, Duke Energy shareholders will own approximately 63 percent of the combined company and Progress Energy shareholders will own approximately 37 percent of the combined company on a fully diluted basis.²

When the transaction is completed, the Merger Agreement provides that Duke Energy will have an eighteen-member Board of Directors. All eleven current directors of Duke Energy will continue as directors when the transaction is complete, subject to their ability and willingness to serve. Progress Energy, with Duke Energy consultation, designated seven of the current directors of Progress Energy to be added to the Board of Directors of Duke Energy when the proposed transaction is complete, subject to their ability and willingness to serve.

A list of the of directors and senior officers of Progress Energy and Duke Energy, as well as a list of directors and principal executive officers for post-merger Duke Energy, was included in Attachment 4 of the letter dated March 30, 2011.

In addition, detailed corporate organization charts for Duke Energy and Progress Energy prior and after the proposed merger were provided in enclosures to the Progress Energy submittal dated September 2, 2011.

The licenses now held by CP&L and FPC will remain so held after the merger. All the licenses now held by Duke Energy will remain so held after the merger.

DUKE ENERGY CORPORATION

According to the application, Duke Energy is a diversified energy company with both regulated and unregulated utility operations, organized and existing under the laws of the State of Delaware, with approximately 14 billion dollars in annual revenues. Duke Energy supplies, delivers and processes energy for customers in the United States and selected international markets. Duke Energy's regulated utility operations own approximately 27,000 megawatts of generating capacity and serve approximately four million customers located in five states in the Southeast and Midwest.

According to the application, the business of Duke Energy is conducted by its board of directors and executive officers. All members of Duke Energy's board of directors and all of its principal officers are citizens of the United States. Their names and addresses are listed in Attachment 4 of the March 30, 2011, letter.

² Fully diluted basis indicates a company's earnings per share (EPS) calculated using fully diluted shares outstanding (i.e. including the impact of stock option grants and convertible bonds). Diluted EPS indicates a "worst case" scenario, one in which everyone who could have received stock without purchasing it directly for the full market value did so.

According to the application, following the proposed transaction, the common stock of Duke Energy will be widely held and publicly traded.

DIAMOND ACQUISITION CORPORATION

According to the application and under the Merger Agreement, the closing of the merger will occur following receipt of all required shareholder and regulatory approvals and satisfaction of all conditions to the merger. In order to effect the merger, Duke Energy and Progress Energy will file the articles of merger with the North Carolina Secretary of State. Until the articles of merger are filed, Diamond Acquisition Corporation will be a wholly owned subsidiary of Duke Energy and will be completely independent of Progress Energy. The filing of the articles of merger will effect the immediate merger of Diamond Acquisition Corporation into Progress Energy, meaning that, upon the filing, Diamond Acquisition Corporation will cease to exist and Progress Energy will become a direct, wholly owned and controlled subsidiary of Duke Energy. At no time will Diamond Acquisition Corporation own or control Progress Energy in any respect.

PROGRESS ENERGY, INC.

Progress Energy, organized and existing under the laws of the State of North Carolina, is a Fortune 500 energy company with more than 22,000 megawatts of generation capacity and approximately 10 billion dollars in annual revenues. Progress Energy is the parent company of CP&L. Progress Energy is also the parent company of Florida Progress, which is the holding company for FPC. CP&L and FPC together serve approximately 3.1 million customers in North Carolina, South Carolina, and Florida.

According to the application, the common stock of Progress Energy is currently widely held and publicly traded. Following the proposed transaction, Progress Energy will become a direct, wholly owned subsidiary of Duke Energy.

CAROLINA POWER & LIGHT COMPANY

According to the application, CP&L, located in Raleigh, North Carolina, is an investor-owned, vertically integrated electric utility organized and existing under the laws of the State of North Carolina as a wholly owned subsidiary of Progress Energy. CP&L provides electric generation, transmission and distribution services to wholesale and retail customers in North Carolina and South Carolina. CP&L sells electricity to retail customers within its service territory and to wholesale customers within and outside its service territory.

According to the application, the common stock of CP&L is wholly owned by Progress Energy, which is currently widely held and publicly traded. Following the proposed transaction, CP&L's parent, Progress Energy, will become a direct, wholly owned subsidiary of Duke Energy. CP&L will remain an electric utility.

FLORIDA POWER CORPORATION

FPC, located in St Petersburg, Florida, is an investor-owned, vertically integrated electric utility organized and existing under the laws of the State of Florida and is a wholly owned subsidiary of Florida Progress Corporation (Florida Progress), which in turn is a wholly owned subsidiary of

Progress Energy. FPC provides electric generation, transmission and distribution services to wholesale and retail customers in the State of Florida. FPC sells electricity to retail customers within its service territory and to wholesale customers within and outside its service territory. FPC recovers the costs of electricity generation.

According to the application, the common stock of FPC is wholly owned by Florida Progress, which is wholly owned by Progress Energy. The common stock of Progress Energy is currently widely held and publicly traded. Following the proposed transaction, FPC's ultimate parent, Progress Energy, will become a direct, wholly owned subsidiary of Duke Energy. FPC will remain an electric utility.

BRUNSWICK STEAM ELECTRIC PLANT

Brunswick is composed of two units (Units 1 and 2), each of which is rated 2923 megawatts thermal (MWt). Each unit consists of a General Electric boiling water reactor, other associated plant equipment and steam turbine, and related site facilities licensed under 10 CFR Part 50. The Brunswick facility also includes an ISFSI authorized pursuant to 10 CFR Part 50 and the general license under 10 CFR 72.210. Brunswick is located 20 miles south of Wilmington, North Carolina, at the mouth of the Cape Fear River in Brunswick County, North Carolina. The ownership interest in Brunswick is held by two owners in the following percentages:

Carolina Power & Light Company	81.67%
North Carolina Eastern Municipal Power Agency	18.33%

According to the application, CP&L is the sole operator of the Brunswick facility. The proposed indirect transfers of control will not result in any change in the role of the CP&L as the licensed operator and owner of the licensed facilities and will not result in any changes to its financial qualifications, decommissioning funding assurance, or technical qualifications. According to the applicant, CP&L will retain the requisite qualifications to own and operate the licensed facility. North Carolina Eastern Municipal Power Agency is not involved in the proposed transaction and will continue to own 18.33 percent.

SHEARON HARRIS NUCLEAR POWER PLANT

Harris is a single unit, 2900 MWt nuclear power plant, consisting of a Westinghouse three-loop pressurized water reactor, other associated plant equipment, and related site facilities. HNP is located in the southwest corner of Wake County, North Carolina, and the southeast corner of Chatham County, North Carolina. It is approximately 16 miles southwest of Raleigh, North Carolina and about 15 miles northeast of Sanford, North Carolina. The ownership interest in Harris is held by two owners in the following percentages:

Carolina Power & Light Company	83.83%
North Carolina Eastern Municipal Power Agency	16.17%

As stated in the application, CP&L is the sole operator of Harris. The proposed indirect transfer of control will not result in any change in the role of the CP&L as the licensed operator and owner of the licensed facility and will not result in any changes to its financial qualifications, decommissioning funding assurance, or technical qualifications. According to the applicant,

CP&L will retain the requisite qualifications to own and operate the licensed facility. North Carolina Eastern Municipal Power Agency is not involved in the proposed transaction and will continue to own 16.17 percent.

H.B. ROBINSON STEAM ELECTRIC PLANT

Robinson, Unit No. 2 is a single unit 2339 MWt nuclear power plant, consisting of a Westinghouse three-loop pressurized water reactor, other associated plant equipment, and related site facilities. The Robinson facility also includes two ISFSIs; one authorized pursuant to 10 CFR Part 50 and the general license under 10 CFR 72.210, and another licensed under 10 CFR Part 72. Robinson is located in northwest Darlington County, South Carolina, approximately 3 miles west-northwest of Hartsville, South Carolina. CP&L is the sole owner and licensed operator of Robinson facility.

The application states that the proposed indirect transfer of control will not result in any change in the role of the CP&L as the licensed operator and owner of the licensed facility and will not result in any changes to its financial qualifications, decommissioning funding assurance, or technical qualifications. According to the applicant, CP&L will retain the requisite qualifications to own and operate the licensed facility.

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

The Crystal River is a single unit 2609 MWt nuclear power plant, consisting of a Babcock and Wilcox two-loop pressurized water reactor, other associated plant equipment, and related site facilities. The Crystal River facility is located on the Gulf of Mexico, approximately 70 miles north of Tampa, Florida. The ownership interest in Crystal River is held by ten owners in the following percentages:

Florida Power Corporation	91.78%
City of Alachua, Florida	0.08%
City of Bushnell, Florida	0.04%
City of Gainesville, Florida	1.41%
Kissimmee Utility Authority	0.68%
City of Leesburg, Florida	0.82%
Utilities Commission of the City of New Smyrna Beach	0.56%
City of Ocala, Florida	1.33%
Orlando Utilities Commission	1.60%
Seminole Electric Cooperative, Inc.	1.70%

According to the application, FPC is the sole operator of Crystal River. The proposed indirect transfer of control will not result in any change in the role of FPC as the licensed operator and owner of the licensed facility and will not result in any changes to its financial qualifications, decommissioning funding assurance, or technical qualifications. According to the applicant, FPC will retain the requisite qualifications to own and operate the licensed facility. The remaining nine owners representing 8.22 percent ownership are not involved in the proposed transaction.

3.0 REGULATORY EVALUATION

Progress Energy's request for approval of the indirect transfer of control of the licenses listed in this safety evaluation (SE) is made pursuant to 10 CFR 50.80 and 10 CFR 72.50.

Section 50.80(a) of 10 CFR states:

No license for a production or utilization facility, or any right there under, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission shall give its consent in writing.

In addition, the requirements of 10 CFR 50.80(b) and (c) apply. Section 50.80(b), in parts, states that an application for a license transfer shall include as much information described in 10 CFR 50.33 and 10 CFR 50.34 "with respect to the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license." Section 50.80(c) states that "the Commission will approve an application for the transfer of a license, if the Commission determines: (1) that the proposed transferee is qualified to be the holder of the license; and (2) that the transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto." The Commission will approve an application for the indirect transfer of a license, if the Commission determines that the proposed merger will not affect the qualifications of the licensee to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations and orders issued by the Commission pursuant thereto.

Section 72.50(a) of 10 CFR states:

No license or any part included in a license issued under this part for an ISFSI or MRS shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing.

In addition, the requirements of 10 CFR 72.50(b) and (c) apply. Specifically, 10 CFR 72.50(b)(1) states that an application for transfer of a license must include as much of the information described in 10 CFR 72.22 and 72.28 with respect to the identity and the technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license. The application must also include a statement of the purposes for which the transfer of the license is requested and the nature of the transaction necessitating or making desirable the transfer of the license. Section 72.50(c) of 10 CFR states that after appropriate notice to interested persons, including the existing licensee, and observance of such procedures as may be required by the Act or regulations or orders of the Commission, the Commission will approve an application for the transfer of a license, if the Commission determines that: (1) The proposed transferee is qualified to be the holder of the license; and (2) Transfer of the license is consistent with applicable provisions of the law, and the regulations and orders issued by the Commission.

The NRC staff also used the regulations and guidance in 10 CFR 50.40(b), "Common Standards," NUREG-0800, "Standard Review Plan" (SRP), Section 13.1.1, "Management and Technical Support Organization," and SRP Sections 13.1.2-13.1.3, "Operating Organizations" for technical qualification evaluation. The purpose of this evaluation was to ensure that the proposed corporate management structure is involved with, informed of, and dedicated to the safe operation of the plant, and to ensure that sufficient qualified technical resources will be provided to support safe plant operation and maintenance. The NRC staff also evaluated proposed changes to the operating organization that may occur as a result of the license transfer.

4.0 FINANCIAL QUALIFICATIONS

According to the application, after the proposed transaction, CP&L and FPC will continue to generate and distribute electricity and recover the cost of this electricity through rates authorized by the North Carolina Utilities Commission, the Public Service Commission of South Carolina, the Florida Public Service Commission, and the Federal Energy Regulatory Commission, as applicable. Therefore, the NRC staff finds that CP&L and FPC, as owners of the nuclear facilities will continue to meet the definition of "electric utility" set forth in 10 CFR 50.2. Accordingly, the NRC staff finds that the CP&L and FPC financial qualifications are presumed by 10 CFR 50.33(f) and no specific demonstration of financial qualifications is required.

The NRC staff finds that because CP&L and FPC will remain electric utilities after the proposed transaction, the proposed merger will not affect their financial qualifications as holders of the respective Brunswick, Harris, Robinson, and Crystal River licenses.

5.0 DECOMMISSIONING FUNDING

Information regarding the status of decommissioning funding for Brunswick, Harris, Robinson, and Crystal River as of December 31, 2010, was reported to the NRC in accordance with 10 CFR 50.75(f)(1) on March 31, 2011 (ADAMS Accession No. ML110950366), and as supplemented by letter dated July 20, 2011 (ADAMS Accession No. July 20, 2011). The NRC staff review of the operating plants decommissioning funding reports is documented in the SECY 11-0149, "Summary Findings Resulting from the Staff Review of the 2010 Decommissioning Funding Status Reports for Operating Power Reactor Licensees" (ADAMS Accession No. ML112620046), dated October 26, 2011.

According to the application, the proposed transaction will not affect the decommissioning funding arrangements previously reported. The licensees will continue to maintain their existing decommissioning trust funds segregated from their assets and outside their administrative control in accordance with the requirements of 10 CFR 50.75(e)(1). After the merger, CP&L will remain responsible for the decommissioning liabilities associated with CP&L's ownership interests in Brunswick, Harris and Robinson, and FPC will remain responsible for the decommissioning liabilities associated with Crystal River. CP&L and FPC will continue to fund their decommissioning trusts for the licensed facilities in accordance with 10 CFR 50.75. Thus, no change in current funding practices or amounts will occur as a result of the proposed merger. The NRC staff concludes that the merger will not have any adverse impact on the decommissioning funding assurance provided by the licensees.

6.0 TECHNICAL QUALIFICATIONS

Progress Energy on behalf of its subsidiaries CP&L and FPC has stated that the technical qualifications for CP&L, the sole operator of Brunswick, Harris, and Robinson, and FPC, the sole operator of Crystal River, will not change after the proposed merger. CP&L and FPC will remain the sole operator for their respective facilities after the proposed merger. Progress Energy stated that all technical qualifications of CP&L and FPC immediately prior to the proposed merger will remain the same immediately after the proposed merger.

6.1 Management and Technical Support Organization

The NRC staff reviewed the application to determine the acceptability of the proposed corporate management and technical support organization. The staff evaluated the application using the applicable acceptance criteria contained in SRP Section 13.1.1, "Management and Technical Support Organization."

In the application, the applicants stated that the technical qualifications of the licensees are not affected by the proposed indirect transfer of control of the Brunswick, Harris, Robinson, and Crystal River licenses. There will be no physical changes to the facilities and no changes in the day-to-day operations in connection with the indirect transfer of control of the licenses. In addition, the proposed indirect transfer of control of the licenses will not involve any changes to the current licensing bases.

As stated in the previous sections, Progress Energy is the ultimate parent corporation for CP&L and FPC. Diamond Acquisition Corporation, a wholly-owned direct subsidiary of Duke Energy, will merge with and into Progress Energy. Progress Energy will become a wholly-owned direct subsidiary of Duke Energy and the former shareholders of Progress Energy will become the shareholders of Duke Energy. The current Duke Energy Board of Directors will go from eleven to eighteen members. Seven of Progress Energy's current directors will be added to the Duke Energy Board of Directors post-merger. The NRC staff has conducted a review of pre-merger and post-merger organizations, submitted in Progress Energy's letter dated September 2, 2011, to verify that technical expertise and technical support will not be impacted due to changes in the management structure.

The application provided organization charts describing the structure, functions, and responsibilities of the organizations that will be established to operate and maintain the facilities after the merger. The applicants have shown and described the organization for managing and the means for providing technical support in the post-merger environment that will be equivalent to the current qualifications of the pre-merger management and technical support organization. NRC staff reviewed and compared Tier 3 and Tier 4 charts in Attachment 1, "Current Progress Energy Nuclear Organization Structure" and Attachment 2, "Nuclear Generation Organization Design," of Enclosure 1 of the September 2, 2011 letter. The NRC staff verified that all management and technical staff will remain intact after the merger transaction.

Based on the above statements and reviews, the NRC staff concludes the post-merger management organization and the technical support to the plant staff will be essentially equivalent to the current Progress Energy management and technical support organization. Accordingly, the NRC staff finds that the proposed post-merger management organization for

Duke Energy is acceptable. In addition, the licensees' technical support for the continued operation of licensed facilities under normal and off-normal conditions for the licensed facilities will remain in accordance with SRP Section 13.1.1 after the merger transaction. The NRC staff concludes that the application for an indirect transfer of control of licenses adequately addresses the relevant requirements of 10 CFR Sections 50.40(b), 50.80, and 72.50.

6.2 Operating Organization

The NRC staff reviewed the applicants' submittal to evaluate changes to the operating organization proposed as a result of the indirect transfer of control of the licenses and to determine the acceptability of the post-merger operating organizations. The licensees' existing operating organizations were previously determined by NRC staff to be acceptable. The NRC staff evaluated the application using the applicable acceptance criteria contained in SRP Section 13.1.2-13.1.3, "Operating Organization."

The application indicated that the qualifications of the personnel presently employed by Progress Energy will not be affected by the proposed corporate merger with Duke Energy and it will not impact on the licensees' ability to continue to safely operate the facilities. The application also indicated the proposed facilities, personnel, and day-to-day operations of the facilities will not be impacted by the proposed merger. Therefore, the technical qualifications of CP&L and FPC to carry out their responsibilities under Operating Licenses DPR-71, DPR-62, NPF-63, DPR-23, DPR-72, and SNM-2502 will remain unchanged and will not be adversely affected by the restructuring resulting from the proposed merger.

Since the operating organizations and personnel now responsible for the operation and maintenance of the licensed facilities will not be affected by the merger, the NRC staff finds that Progress Energy's onsite organizations established to operate and maintain the facilities under both normal and off-normal conditions will remain in accordance with SRP Section 13.1.2 - 13.1.3, "Operating Organization." Therefore, the NRC staff concludes that the proposed merger will not affect the operation of the Brunswick, Harris, Robinson, and Crystal River facilities.

6.3 Technical Qualification Conclusion

The NRC staff determined that the applicants have adequately described the corporate level management, the technical support organization, and the onsite operating organization that will be responsible for the operation and maintenance of Duke Energy after the merger. The NRC staff concludes that Progress Energy will continue to have an acceptable corporate organization, onsite organization, and adequate resources to provide technical support for the safe operation of the plants under both normal and off-normal conditions after the indirect transfer to Duke Energy. The NRC staff concludes that the applicants have adequately addressed the relevant requirements of 10 CFR 50.40(b), 10 CFR 50.80, and 10 CFR 72.50.

7.0 ANTITRUST REVIEW

The Atomic Energy Act of 1954, as amended, does not require or authorize antitrust reviews of post-operating license transfer applications. The proposed merger application postdates the issuance of the operating licenses for the facilities under consideration in this SE and, therefore, no antitrust review is required or authorized. The subject licenses do not contain any antitrust conditions. Therefore, the NRC staff finds that there are no antitrust review is required or authorized.

8.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

Sections 103d and 104d of the Atomic Energy Act of 1954, as amended, prohibits the NRC from issuing a license for a nuclear power plant to "any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government." The NRC's regulation, 10 CFR 50.38, contains language to implement this prohibition.

According to the application, CP&L is not and will not be owned, controlled or dominated by an alien, foreign corporation or foreign government due to the proposed merger. All members of CP&L's board of directors and all of its principal officers are citizens of the United States. Their names and addresses are listed in Attachment 4 of the applicants' letter dated March 30, 2011. The applicants have stated that the indirect transfer of control of the licenses will not result in any of the licensed facilities owned, controlled, or dominated by a foreign entity. Based on the information in the application, the NRC staff has no reason to conclude otherwise.

According to the application, FPC will not be owned, controlled or dominated by an alien, foreign corporation or foreign government. All members of FPC's Board of Directors and all of its principal officers are citizens of the United States. Their names and addresses are listed in Attachment 4 of the applicants' letter dated March 30, 2011. The applicants have stated that the indirect transfer of control of the licenses will not result in any of the licensed facility owned, controlled, or dominated by a foreign entity. Based on the information in the application, the NRC staff has no reason to conclude otherwise.

According to the application, Progress Energy and its subsidiaries will not be owned, controlled, or dominated by an alien, foreign corporation or foreign government. All members of Progress Energy's Board of directors and all of its principal officers are citizens of the United States. Their names and addresses are listed in Attachment 4 of the applicants' letter dated March 30, 2011. Seven members of Progress Energy's Board of Directors will become members of Duke Energy's board of directors after the merger. The applicants have stated that the indirect transfer of control of the licenses will not result in any of the licensed facilities owned, controlled, or dominated by a foreign entity. Based on the information in the application, the NRC staff has no reason to conclude otherwise.

According to the application, Duke Energy will not be owned, controlled or dominated by an alien, foreign corporation or foreign government. After the merger, the Duke Energy board of directors will consist of eleven members from the existing Duke Energy board and seven members from the Progress Energy board. According to the application, the designated members of the Duke Energy post-merger board of directors and the management team, listed

in Attachment 4 of the March 30, 2011, letter, are all U.S. citizens. The applicants have stated that the indirect transfer of control of the licenses will not result in any of the licensed facilities owned, controlled, or dominated by a foreign entity. Also, Duke Energy, in its request for the threshold review, dated March 31, 2011, stated that Duke Energy will not be owned, controlled or dominated by an alien, foreign corporation or foreign government. Based on the information provided in the application by the applicants and in the request for the threshold review by Duke Energy, the NRC staff has no reason to conclude otherwise.

9.0 PRICE-ANDERSON INDEMNITY AND NUCLEAR INSURANCE

The proposed indirect transfers of control do not affect the existing Price-Anderson indemnity agreement for Brunswick, Harris, Robinson, and Crystal River, and do not affect the required nuclear property damage insurance pursuant to 10 CFR 50.54(w) and nuclear energy liability insurance pursuant to Section 170 of the Act and 10 CFR Part 140. In addition, the applicants stated that CP&L and FPC will maintain all required nuclear property damage insurance and nuclear energy liability insurance. CP&L and FPC also will provide annual reporting in compliance with 10 CFR 140.21(e) regarding the licensees' ongoing ability to pay their share of any annual retrospective premium.

10.0 SUMMARY

The information contained in the application demonstrates that CP&L and FPC will continue to possess the requisite qualifications to hold the licenses, to own, and to operate their respective licensed facilities. The proposed indirect transfer of control will not result in any change in the role of CP&L and FPC as the licensed operators of the facilities and will not result in any changes to their financial qualifications, decommissioning funding assurance, anti-trust, and foreign ownership, domination or control issues. No physical changes will be made to the facilities and there will be no changes in day-to-day operations as a result of the indirect transfer of control of the licenses. The indirect transfer of control will not involve any changes to the current licensing bases. The indirect transfer will not have any adverse impact on the public health and safety, and will not be inimical to the common defense and security. Finally, the indirect transfer of control of the licenses resulting from the merger between Duke Energy and Progress Energy will not result in the licensees becoming owned, controlled, or dominated by a foreign entity.

8.0 CONCLUSION

Based on the foregoing, the NRC staff finds that the indirect transfer of control of the licensees will not affect the qualifications of the licensees to hold the licenses, and that the indirect transfer of control of the licenses, to the extent held by the applicants and to the extent effected by the proposed restructuring, are otherwise consistent with applicable provisions of the laws, regulations and orders issued by the Commission pursuant thereto, subject to the conditions described herein.

Principal Contributors: Michael A. Dusaniwskyj
Leslie Fields

Date: December 2, 2011

J. Scarola

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Enclosure 5 is the NRC staff's Safety Evaluation (SE) related to the preceding actions. The SE will be placed in the NRC public document room and added to the ADAMS Publicly Available Records System Library.

The Orders have been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA by SLingam for/

Farideh E. Saba, Senior Project Manager
Plant Licensing Branch 2-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-325, 50-324, 50-302
50-400, 50-261, 72-3

Enclosures: As stated

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ADAMS Accession Nos.: Package ML 11255A054 Letter/SE/Amdt. ML11255A055
Orders ML11255A056 (Brunswick) ML11255A057 (Harris) ML11255A058 (Robinson) ML11255A058 (Crystal River)

OFFICE	NRR/LPL2-2/PM	NRR/LPL2-2/PM	NRR/LPL2-2/LA	NRR/DIRS/IHPB/BC*	NRR/DPR/PFPB/BC*	NMSS/DSFST/BC
NAME	FSaba	BZafari	CSola	UShoop	CRegan	MWaters**
DATE	09/30/11	10/17/11	09/30/11	09/19/2011	08/11/2011	10/03/11
OFFICE	OGC	NRR/LPL2-2/BC	NRR/DORL/D	NMSS/SFST/D (A)	NRR/LPL2-2/PM	
NAME	SUttal (NLO)	DBroaddus	MEvans	DWeaver**	FSaba (SLingam for)	
DATE	11/25/11	11/17/11	12/02/11	12/01/11	12/01/11	

* By memo ** By email

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