



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

May 29, 2015

Mr. Terry D. Hobbs
General Manager, Decommissioning
Crystal River Nuclear Plant (NA2C)
15760 W. Power Line Street
Crystal River, FL 34428-6708

SUBJECT: CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT - ORDER
APPROVING TRANSFER OF LICENSE AND CONFORMING AMENDMENT
(TAC NO. MF5210)

Dear Mr. Hobbs:

By letter to the U.S. Nuclear Regulatory Commission (NRC) dated November 7, 2014, as supplemented by letter dated April 30, 2015, Duke Energy Florida, Inc. (DEF) submitted an application, pursuant to Sections 50.80, "Transfer of licenses," and 50.90, "Application for amendment of license, construction permit, or early site permit," of Title 10 of the *Code of Federal Regulations* (10 CFR), requesting approval of the direct transfer of Facility Operating License No. DPR-72 for the Crystal River Unit 3 Nuclear Generating Plant (CR-3). DEF will purchase the 6.52 percent combined ownership share in CR-3 held by eight minority co-owners, leaving DEF and Seminole Electric Cooperative, Inc., as the remaining licensees for CR-3.

The proposed direct transfer of control will result in no change to the role of DEF as the licensed operator of the unit or to its technical qualifications, and no change in the ownership interest of Seminole Electric Cooperative, Inc. (1.70 percent owner of CR-3). No changes will be made to the unit or its licensing bases as a result of the transfer, and the transfer will not involve any changes to the principal officers, managers, or staff of DEF, or to the day-to-day management and operations of the unit.

The application also requested approval of a conforming amendment to the license, pursuant to 10 CFR 50.80 and 50.90. The Notice of the application was published in the *Federal Register* on April 28, 2015 (80 FR 23612). The supplement dated April 30, 2015, contained clarifying information, did not expand the application beyond the scope of the notice, and did not affect the applicability of the generic no significant hazards consideration determination.

The NRC staff has completed its review of the application. Enclosure 1 is the Order, which approves the proposed direct license transfer, subject to the conditions described therein. Enclosure 2 provides the conforming amendment pages for CR-3. The Order also approves the conforming amendment, which will be issued and become effective at the time the transfer is consummated. Enclosure 3 contains the NRC staff's safety evaluation related to the preceding actions.

T. Hobbs

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The Order has been forwarded to the Office of *Federal Register* for publication.

If you have any questions, please contact me at 301-415-3229 or via e-mail at Michael.Orenak@nrc.gov.

Sincerely,

A handwritten signature in black ink that reads "Michael D. Orenak" with a stylized flourish at the end.

Michael D. Orenak, Project Manager
Plant Licensing IV-2 and Decommissioning
Transition Branch
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-302

Enclosures:

1. Order
2. Conforming Amendment to
License No. DPR-72
3. Safety Evaluation

cc: Listserv

ENCLOSURE 1

ORDER APPROVING DIRECT TRANSFER OF LICENSE NO. DPR-72

DUKE ENERGY FLORIDA, INC.

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

DOCKET NO. 50-302

UNITED STATES OF AMERICANUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
Duke Energy Florida, Inc.)	Docket No. 50-302
)	
Crystal River Unit 3 Nuclear Generating Plant)	
)	License No. DPR-72
)	
)	
)	

ORDER APPROVING TRANSFER OF LICENSE AND
CONFORMING AMENDMENT

I.

Duke Energy Florida, Inc. (DEF or the applicant), City of Alachua, City of Bushnell, City of Gainesville, City of Kissimmee, City of Leesburg, City of New Smyrna Beach and Utilities Commission/City of New Smyrna Beach, City of Ocala, Orlando Utilities Commission/City of Orlando, and Seminole Electric Cooperative, Inc., are holders of Facility Operating License No. DPR-72, which authorizes the possession of the Crystal River Unit 3 Nuclear Generating Plant (CR-3). Facility Operating License No. DPR-72 also authorizes DEF (currently owner of 91.78 percent of CR-3) to use and operate CR-3. CR-3 is located in Red Level, Florida, in Citrus County, about 5 miles south of Levy County. The site is 7.5 miles northwest of Crystal River, Florida, and 90 miles north of St. Petersburg, Florida. CR-3 is situated on the Gulf of Mexico, within the Crystal River Energy Complex.

CR-3 has been shut down since September 26, 2009, and the final removal of fuel from the reactor vessel was completed on May 28, 2011. By letter dated February 20, 2013, the licensee submitted a certification to the NRC of permanent cessation of power operations and

the removal of fuel from the reactor vessel, pursuant to Sections 50.82(a)(1)(i) and 50.82(a)(1)(ii) of Title 10 of the *Code of Federal Regulations* (10 CFR). Upon docketing of this certification, the 10 CFR Part 50 license for CR-3 no longer authorizes operation of the reactor or emplacement or retention of fuel into the reactor vessel, as specified in 10 CFR 50.82(a)(2).

II.

By application dated November 7, 2014, as supplemented by letter dated April 30, 2015 (collectively, the application), DEF requested that the U.S. Nuclear Regulatory Commission (NRC) approve the direct transfer of control of Facility Operating License No. DPR-72 for CR-3, to the extent held by the eight minority co-owners to DEF. The eight minority co-owners collectively own 6.52 percent of CR-3 and are as follows: the City of Alachua, City of Bushnell, City of Gainesville, City of Kissimmee, City of Leesburg, City of New Smyrna Beach and Utilities Commission/City of New Smyrna Beach, City of Ocala, and Orlando Utilities Commission/City of Orlando. The proposed direct transfer of the license does not involve Seminole Electric Cooperative, Inc., the remaining co-owner (1.70 percent interest) of CR-3. As a result of the transaction, DEF and Seminole Electric Cooperative, Inc., will become the joint owners of CR-3.

The applicant also requested approval of a conforming administrative license amendment that would remove the references to the eight minority co-owners in the license. DEF did not propose any physical changes to the facilities or operational changes in the application. After completion of the proposed transfer, DEF and Seminole Electric Cooperative, Inc., will be the joint owners of CR-3, holding 98.30 percent interest and 1.70 percent interest, respectively, and DEF will remain the operator of the facility.

DEF requested approval of the direct transfer of the facility operating license and the conforming license amendment pursuant to 10 CFR 50.80, "Transfer of licenses," and

10 CFR 50.90, "Application for amendment of license, construction permit, or early site permit." A notice entitled, "Crystal River Nuclear Generating Plant, Unit 3; Consideration of Approval of Transfer of License and Conforming Amendment," was published in the *Federal Register* on April 28, 2015 (80 FR 23612). The NRC did not receive any public comments regarding the proposed license transfer.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission provides its consent in writing. Upon review of the information in the licensee's application and other information before the Commission, and relying upon the representations and agreements contained in the application, the NRC staff has determined that DEF is qualified to hold the ownership interests in the facility previously held by the eight minority co-owners. The NRC staff has also determined that the direct transfer of ownership interests in the facility to DEF, as described in the application, is otherwise consistent with applicable provisions of laws, regulations, and orders issued by the Commission, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facility will operate in conformity with the applications, the provisions of the Act, and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendment will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendment will be in accordance with 10 CFR part 51 of the Commission's regulations and all applicable requirements have been satisfied.

The findings set forth above are supported by the NRC safety evaluation dated May 29, 2015.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o and 184 of the Act, 42 U.S.C. Sections 2201(b), 2201(i), 2201(o) and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the direct transfer of the license, as described herein, to DEF is approved, subject to the following condition:

1. DEF shall provide satisfactory documentary evidence to the Director of the Office of Nuclear Reactor Regulation that it has obtained the insurance required of a licensee under 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," in the appropriate amount pursuant to the exemption to 10 CFR 140.11(a)(4) granted to DEF by NRC letter dated April 27, 2015 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14183B338).

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), the license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the subject direct license transfer is approved. The license amendment shall be issued and made effective at the time the proposed direct transfer is completed.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed direct transfer action, DEF shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt, and the date of closing of the transfer no later than one business day prior to the date of the closing of the direct transfer. Should the direct transfer not be completed within one year of this Order's date of issue, this Order shall become null and void, provided, however, that upon written application and good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated November 7, 2014 (ADAMS Accession No. ML14321A450), as supplemented by letter dated April 30, 2015 (ADAMS Accession No. ML15126A278), and the safety evaluation dated May 29, 2015 (ADAMS Accession No. ML15121A570), which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike, Room O-1 F21 (First Floor), Rockville, Maryland and accessible electronically through the ADAMS Public Electronic Reading Room on the Internet at the NRC Web site, <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, 301-415-4737, or by e-mail at pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 29 day of MAY, 2015.

FOR THE NUCLEAR REGULATORY COMMISSION.

A handwritten signature in black ink, appearing to read 'W. M. Dean', with a long horizontal flourish extending to the right.

William M. Dean, Director,
Office of Nuclear Reactor Regulation.

ENCLOSURE 2

CONFORMING AMENDMENT TO LICENSE NO. DPR-72

DUKE ENERGY FLORIDA, INC.

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

DOCKET NO. 50-302



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

DUKE ENERGY FLORIDA, INC.

CITY OF ALACHUA

CITY OF BUSHNELL

CITY OF GAINESVILLE

CITY OF KISSIMMEE

CITY OF LEESBURG

CITY OF NEW SMYRNA BEACH AND UTILITIES COMMISSION

CITY OF NEW SMYRNA BEACH

CITY OF OCALA

ORLANDO UTILITIES COMMISSION AND CITY OF ORLANDO

SEMINOLE ELECTRIC COOPERATIVE, INC.

DOCKET NO. 50-302

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. DPR-72

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment to the Crystal River Unit 3 Nuclear Generating Plant (the facility) Facility Operating License No. DPR-72 filed by Duke Energy Florida, Inc., et al. (the licensees), dated November 7, 2014, as supplemented by letter dated April 30, 2015, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and

- E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
- 2. Accordingly, the license is hereby amended as indicated in the attachment to this license amendment.
- 3. This license amendment is effective as of its date of issuance and shall be implemented within 60 days of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

William M. Dean, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Operating License

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. _____

FACILITY OPERATING LICENSE NO. DPR-72

DOCKET NO. 50-302

Replace the page 1 of Facility Operating License DPR-72 with the attached page 1. The revised page is identified by amendment number and contains marginal lines indicating the areas of change.

Remove

1

Insert

1

LICENSE AUTHORITY FILE COPY

DO NOT REMOVE



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

DUKE ENERGY FLORIDA, INC.
SEMINOLE ELECTRIC COOPERATIVE, INC.

DOCKET NO. 50-302

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 2
License No. DPR-72

1. The Nuclear Regulatory Commission (the Commission) having found that:
 - A. The application filed by Florida Power Corporation and SEMINOLE ELECTRIC COOPERATIVE, INC. (the licensees) as supplemented by letter dated December 9, 1976, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's rules and regulations set forth in 10 CFR Chapter 1; ***
 - B. Construction of the Crystal River Unit 3 Nuclear Generating Plant (facility) has been substantially completed in conformity with Provisional Construction Permit No. CPPR-51 and the application, as amended, the provisions of the Act and the rules and regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;

***On April 29, 2013, the name "Florida Power Corporation" was changed to "Duke Energy Florida, Inc."

Facility Operating License No. DPR-72
Amendment No:

ENCLOSURE 3

SAFETY EVALUATION

DUKE ENERGY FLORIDA, INC.

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

DOCKET NO. 50-302



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

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

DIRECT TRANSFER OF LICENSES

FROM

CITY OF ALACHUA

CITY OF BUSHNELL

CITY OF GAINESVILLE

CITY OF KISSIMMEE

CITY OF LEESBURG

CITY OF NEW SMYRNA BEACH AND UTILITIES COMMISSION

CITY OF NEW SMYRNA BEACH

CITY OF OCALA

ORLANDO UTILITIES COMMISSION AND CITY OF ORLANDO

TO

DUKE ENERGY FLORIDA, INC.

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

DOCKET NO. 50-302

FACILITY OPERATING LICENSE NO. DPR-72

1.0 INTRODUCTION

By application dated November 7, 2014 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14321A450), as supplemented by letter dated April 30, 2015 (ADAMS Accession No. ML15126A278), Duke Energy Florida, Inc., et al. (DEF or the licensee), requested that the U.S. Nuclear Regulatory Commission (NRC or the Commission) consent to the direct transfer of Facility Operating License DPR-72 for Crystal River Unit 3 Nuclear Generating Plant (CR-3), to the extent held by the eight minority co-owners named below, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and Title 10 of the *Code of Federal Regulations* (10 CFR) 50.80, "Transfer of licenses."

The application also requested approval of the conforming amendment to the license, pursuant to 10 CFR 50.80 and 10 CFR 50.90, "Application for amendment of license, construction permit, or early site permit," to reflect the removal of the eight minority co-owners from Facility Operating License No. DPR-72. Notice of the application was published in the *Federal Register*

on April 28, 2015, (80 FR 23612). The supplement dated April 30, 2015, contained clarifying information, did not expand the application beyond the scope of the notice, and did not affect the applicability of the generic no significant hazards consideration determination.

CR-3 has been shut down since September 26, 2009, and the final removal of fuel from the reactor vessel was completed on May 28, 2011. By letter dated February 20, 2013 (ADAMS Accession No. ML 13056A005), the licensee submitted a certification to the NRC of permanent cessation of power operations and the removal of fuel from the reactor vessel, pursuant to 10 CFR 50.82(a)(1)(i) and 10 CFR 50.82(a)(1)(ii). Upon docketing of the certification, the 10 CFR Part 50 license for CR-3 no longer authorizes operation of the reactor or emplacement or retention of fuel into the reactor vessel, as specified in 10 CFR 50.82(a)(2). CR-3 is authorized to possess and store irradiated (i.e., spent) nuclear fuel.

DEF, the City of Alachua, the City of Bushnell, the City of Gainesville, the City of Kissimmee, the City of Leesburg, the City of New Smyrna Beach and Utilities Commission/City of New Smyrna Beach, the City of Ocala, Orlando Utilities Commission/City of Orlando, and Seminole Electric Cooperative, Inc. (Seminole) are the joint owners of CR-3, located in Red Level, Florida. All are named licensees under Facility Operating License No. DPR-72, pursuant to 10 CFR Part 50. Under the license, DEF, currently the owner of 91.7806 percent of CR-3, is authorized to possess, use, and operate CR-3. The other nine co-owners are authorized to possess the remaining 8.2194 percent of CR-3 and own the amounts as indicated below:

- City of Alachua (0.0779 percent)
- City of Bushnell (0.0388 percent)
- City of Gainesville (1.4079 percent)
- City of Kissimmee (0.6754 percent)
- City of Leesburg (0.8244 percent)
- City of New Smyrna Beach and Utilities Commission/City of New Smyrna Beach (0.5608 percent)
- City of Ocala (1.3333 percent)
- Orlando Utilities Commission and City of Orlando (1.6015 percent)
- Seminole Electric Cooperative, Inc. (1.6994 percent)

According to the application, DEF and the City of Alachua, City of Bushnell, City of Gainesville, City of Kissimmee, City of Leesburg, City of New Smyrna Beach and Utilities Commission/City of New Smyrna Beach, City of Ocala, and Orlando Utilities Commission/City of Orlando (the eight minority co-owners, collectively) reached an agreement that provides for the transfer of the eight minority co-owners' 6.5200 percent collective interest in Facility Operating License No. DPR-72 to DEF in exchange for DEF assuming the responsibility for future liabilities, including decommissioning, and for payments made to the eight minority co-owners by DEF. The purchase would result in DEF holding 98.0006 percent interest and Seminole maintaining its 1.6994 percent interest in Facility Operating License DPR-72. The proposed transaction, as described in the application, constitutes a direct transfer of ownership interest from the eight minority co-owners of CR-3 to DEF, which requires prior NRC approval. For direct transfers of control of a license, the NRC must find that the proposed transferee is qualified to be the holder of the license.

DEF requests approval of a conforming administrative license amendment to reflect the transfers. This amendment would be issued and made effective when the transfers are consummated, upon closing of the transactions. DEF will notify the NRC when the closing of the Acquisition Agreement and transfer will occur.

According to DEF, the proposed direct transfer of control will result in no changes to: the role of DEF as the licensed operator of the units; its technical qualifications; the CR-3 plant components; its licensing bases; the principal officers, managers, or DEF staff; or the day-to-day management and operations of CR-3.

2.0 REGULATORY EVALUATION

The applicant's request for approval of the direct transfer of ownership interest of the license for CR-3, as discussed in this safety evaluation (SE), is made under 10 CFR 50.80. The regulation in 10 CFR 50.80(a) states, in part:

No license for a production or utilization facility...or any right thereunder, 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 regulations in 10 CFR 50.80(b) and (c) apply. The regulations in 10 CFR 50.80(b) states that an application for a license transfer shall include as much information described in 10 CFR 50.33, "Contents of applications; general information," and 10 CFR 50.34, "Contents of applications; technical information," "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." The regulations in 10 CFR 50.80(c) states, in part, the following:

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 transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

The regulations in 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," establishes requirements for indicating to NRC how a licensee will provide reasonable assurance that funds will be available for the decommissioning process.

The guidance in NUREG-1577, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance," Revision 1, issued December 2001 (ADAMS Accession No. ML013330264), is used to evaluate whether the financial qualifications of the licensees would be affected by the proposed transfer.

Sections 103d and 104d of the AEA provide, in relevant part, that no license may be issued to the following:

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. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issue of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

The regulations in 10 CFR 50.38, "Ineligibility of certain applicants," implement Sections 103d and 104d of the AEA. The NRC staff evaluates license transfer applications in a manner that is consistent with the guidance provided in the Standard Review Plan (SRP), "Foreign Ownership, Control, or Domination of Applicants for Reactor Licenses," published in the *Federal Register* on September 28, 1999 (64 FR 52357-52359), (hereafter referred to as the "SRP on FOCD"), to determine whether the applicant is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

The NRC staff additionally reviews information that pertains to the Price-Anderson indemnity agreement requirements, the nuclear property damage insurance requirements under 10 CFR 50.54(w), and the nuclear energy liability insurance, as required under Section 170 of the AEA and 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements."

3.0 FINANCIAL QUALIFICATIONS

The regulations in 10 CFR 50.33(f) provides that:

Except for an electric utility applicant for a license to operate a utilization facility of the type described in § 50.21(b) or § 50.22 [an application shall state], information sufficient to demonstrate to the Commission the financial qualification of the applicant to carry out, in accordance with regulations in this chapter, the activities for which the permit or license is sought.

The regulations in 10 CFR 50.2, states, in part, that an electric utility is:

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.

According to the application, following the transaction, DEF will continue to be an "electric utility" within the meaning of 10 CFR 50.2, "Definitions," subject to regulation by the Florida Public Service Commission and the Federal Energy Regulatory Commission. As stated by DEF, there will be no change in their source of funds or ability to obtain additional rate-recovery, if necessary.

Based upon information provided above, the NRC staff finds that, according to the definition in 10 CFR 50.2, CR-3 is a utility and will remain a utility after the transfer to DEF of the 6.52 percent combined ownership share in CR-3, as discussed in the licensee's application. As such, pursuant to 10 CFR 50.33(f), a review of the licensee's financial qualification is not required.

4.0 DECOMMISSIONING FUNDING

The NRC has determined that the requirements to provide reasonable assurance of decommissioning funding are necessary to ensure the adequate protection of public health and safety. On March 31, 2014, DEF submitted its decommissioning funding status (DFS) report (ADAMS Accession No. ML14098A039) in accordance with 10 CFR 50.75(f)(1). The DFS provided information on the status of decommissioning funding for CR-3 as of December 31, 2013. The estimated total decommissioning funds required for termination of Facility Operating License No. DPR-72, assuming the SAFSTOR alternative method was \$861.9 million, as provided on December 2, 2013, in the site-specific decommissioning cost estimate (ADAMS Accession No. ML13343A178). According to the application and the DFS report for CR-3, the eight minority co-owners' total financial assurance obligation, as of December 31, 2013, was \$56.2 million, which represents the eight minority co-owners' 6.5200 percent pro rata share of the estimated license termination costs. The remaining obligation of \$805.7 million is split, accordingly, between DEF and Seminole, which hold 91.7806 percent and 1.6994 percent, respectively. The eight minority co-owners also indicated that the total value of their combined funds held in external decommissioning trusts, as of December 31, 2013, was \$32.5 million, while DEF and Seminole held \$480.2 million and \$8.2 million, respectively. Therefore, the total amount of funds accumulated for the radiological decommissioning of CR-3, as of December 31, 2013, was approximately \$521 million.

The regulation in 10 CFR 50.75(e) allows licensees to use a 2 percent real rate of return for the decommissioning trusts. The NRC staff verified the calculations involving the current decommissioning fund balance, decommissioning fund rate of return, and the projected decommissioning costs in the 2013 DFS report and confirmed that the licensee would have sufficient funds remaining at the license termination date of 2074. Additionally, the NRC staff reviews the annual DFS reports to ensure continued decommissioning funding assurance. Based on its review of the 2013 DFS report, the NRC staff determined that adequate decommissioning funding assurance was provided for CR-3 in accordance with NRC regulations.

According to the application, at closing of the acquisition, DEF will assume responsibility for the eight minority co-owners' current financial obligation with respect to payment of each proportionate share of the decommissioning funding assurance obligations for CR-3. Accordingly, the decommissioning funds for each of the selling co-owners will be transferred to DEF. DEF will then deposit these funds in its existing nonqualified decommissioning trust for CR-3. The full fund balances that will be transferred to DEF, upon closing, will differ from the amounts reported in the March 31, 2014, financial status report. The differences will reflect earnings since December 31, 2013, and withdrawals since that date for decommissioning activities completed and payments of ordinary administrative expenses (including taxes and other incidental expenses), as permitted by 10 CFR 50.75(h)(2). These differences are not expected to materially affect the financial analysis supporting DEF's license transfer request, as that analysis assumes projected earnings and withdrawals, and projects a surplus.

In summary, the transfer of the selling co-owners' interests, accompanied by the transfer of their existing decommissioning funds, should not affect the assurance of funding for decommissioning. DEF will continue to provide financial assurance for the decommissioning of CR-3, in accordance with 10 CFR 50.75 and 10 CFR 50.82, "Termination of license."

Based on the discussion above, the NRC staff concludes that all owners of CR-3 have complied with the requirements of 10 CFR 50.75 to provide decommissioning funding assurance for CR-3 and that following the proposed merger, DEF's ability to provide decommissioning funding assurance for CR-3, in the future, will not be affected.

5.0 ANTITRUST REVIEW

The AEA does not require or authorize antitrust reviews of post-operating license transfer applications. *Kansas Gas and Electric Co., et al.* (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999). The application here postdates the issuance of the operating license for the unit under consideration in this SE and, therefore, no antitrust review is required or authorized. The NRC staff notes that the present license contains various antitrust conditions. No changes to these conditions are required as a result of the proposed license transfer.

6.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

The NRC evaluated the application in a manner that is consistent with the guidance provided in the SRP on FOCD to determine whether the applicant is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

As previously stated, DEF currently holds a 91.7806 percent ownership interest in the permanently shutdown CR-3. DEF is a Florida corporation and a wholly owned subsidiary of Duke Energy Corporation, (a Delaware corporation). The applicant provided the names, titles and addresses of the Principal Senior Officers of DEF and Duke Energy and those of the Directors of Duke Energy, all of whom are citizens of the United States. No changes to the Directors of Duke Energy Corporation, DEF, or CR-3 are proposed as a result of the transfer transaction. Based on its review, the NRC staff does not know or have reason to believe that the transfer will result in CR-3 being owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

7.0 TECHNICAL QUALIFICATIONS

DEF will continue to maintain and decommission CR-3 as the licensed operator after the proposed removal of the eight minority co-owners from the license, just as it now does prior to the removal. According to the application, the transfer of the eight minority co-owners interest in CR-3 to DEF involves no change to either the management organization or technical personnel currently responsible for the maintenance and decommissioning of CR-3. Additionally, the transfer will have no impact on the ability of DEF personnel to continue to safely maintain and decommission CR-3. Since the application for the transfer of the license does not propose a new operator, transfer of operating authority, or change of personnel, a technical qualifications review is not applicable in connection with this application.

8.0 NUCLEAR INSURANCE AND INDEMNITY

Pursuant to the requirements of the Price-Anderson Act (Section 170 of the AEA) and the NRC's implementing regulations at 10 CFR Part 140, "Financial Protection Requirements and

Indemnity Agreements,” the current indemnity agreement must be modified to reflect DEF’s amended ownership status resulting from the direct transfer of the eight minority co-owners’ shares to DEF.

On April 27, 2015, DEF was granted an exemption from 10 CFR 140.11(a)(4), “Amounts of financial protection for certain reactors,” to reduce the required level of primary financial protection, from \$375 million to \$100 million, and to withdraw from participation in the secondary layer of financial protection (ADAMS Accession No. ML14183B338). Thus, DEF is required to provide and maintain financial protection in accordance with the exemption. DEF will also continue to provide and maintain onsite property insurance as specified in 10 CFR 50.54(w), “Conditions of licenses.” Information provided in the April 30, 2015, supplement demonstrates that DEF will be able to satisfy the applicable insurance requirements of the Price-Anderson Act and the NRC’s implementing regulations.

Consistent with NRC practice, the NRC staff will require DEF to provide evidence that it has maintained the appropriate amount of insurance in accordance with 50.54(w) and the exemption from 140.11(a)(4) through the transfer, and which is effective concurrent with the date of the conforming amendment and amended indemnity agreement. Because the issuance of the amended license is directly tied to completion of the proposed direct license transfer, the Order approving the transfer will be conditioned as follows:

DEF shall provide satisfactory documentary evidence to the Director of the Office of Nuclear Reactor Regulation that it has obtained the insurance required of a licensee under 10 CFR Part 140, “Financial Protection Requirements and Indemnity Agreements,” in the appropriate amount pursuant to the exemption to 10 CFR 140.11(a)(4) granted to DEF by NRC letter dated April 27, 2015 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14183B338).

9.0 CONFORMING AMENDMENT

9.1 Introduction

The applicants have requested approval of a proposed conforming amendment to the operating license for CR-3. The requested change simply removes references to the eight minority co-owners to reflect the proposed license transfers. No physical or operating changes to the facility are requested. Supplemental information received that was not specifically referenced in the initial Federal Register notice did not affect the applicability of the Commission’s generic no significant hazards consideration determination set forth in 10 CFR 2.1315.

9.2 Discussion

The change to be made to the CR-3 operating license does no more than accurately reflect the approved transfer action, which is subject to the condition set forth in the Order approving the transfer, and that was identified and discussed earlier in this safety evaluation. The amendment involves no safety questions and is administrative in nature. Accordingly, the proposed amendment is acceptable.

9.3 State Consultation

On March 12, 2015, the State of Florida was notified of the pending license transfer of the eight minority co-owners interests in CR-3 to DEF. The State had no comments.

Regarding the conforming amendment, the State of Florida does not desire notification of issuance of license amendments, based upon a letter dated May 2, 2003, from Michael N. Stephens of the Florida Department of Health, Bureau of Radiation Control, to Ms. Brenda L. Mozafari, Senior Project Manager, U.S. Nuclear Regulatory Commission. In an email dated July 25, 2012 (ADAMS Accession No. ML12208A014), from Cynthia Becker, Florida State Bureau of Radiation Control, to Farideh Saba, Senior Project Manager, U.S. Nuclear Regulatory Commission, the State of Florida confirmed that the May 2003 letter continues to reflect the State's position on notification of issuance of license amendments.

9.4 Conclusion With Respect to the Conforming Amendment

The Commission has concluded, based on the considerations discussed above, that (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) there is reasonable assurance that such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

10.0 ENVIRONMENTAL CONSIDERATIONS

The subject application is for approval of a transfer of license issued by the NRC and approval of a conforming amendment. Accordingly, the actions involved meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with approval of the application.

11.0 CONCLUSION

In view of the foregoing, the NRC staff finds that DEF is qualified to obtain the 6.52 percent operating interest of the eight minority co-owners to the extent proposed in this application and that the direct transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto, subject to the condition addressed in this safety evaluation.

Principal Contributor: R. Turtill

Date: May 29, 2015

The Order has been forwarded to the Office of *Federal Register* for publication.

If you have any questions, please contact me at 301-415-3229 or via e-mail at Michael.Orenak@nrc.gov.

Sincerely,

/RA Thomas Wengert for/

Michael D. Orenak, Project Manager
Plant Licensing IV-2 and Decommissioning
Transition Branch
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-302

Enclosures:

1. Order
2. Conforming Amendment to License No. DPR-72
3. Safety Evaluation

cc: Listserv

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RidsNrrOd Resource
RidsNrrDirsfib Resource

ADAMS Accession No :ML15121A570

License Transfer Order: ML15146A291 *SE memo dated

OFFICE	DORL/LPL4-2/PM	DORL/LPL4-2/LA	DIRS/IFIB/BC*	DORL/LPL42/BC	DORL/D
NAME	MOrenak	PBlechman	ABowers	MKhanna	LLund
DATE	5/5/15	5/4/15	5/11/15	5/22/15	5/26/15
OFFICE	OGC	NRR/D	DORL/LPL4-2/PM		
NAME	SUttal	WDean	MOrenak (TWengert for)		
DATE	5/22/15	5/29/15	5/29/15		

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