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 50-401 Shearon Harris Nuclear Power Plant, Unit 2, Carolina 05000401
 50-402 Shearon Harris Nuclear Power Plant, Unit 3, Carolina 05000402
 50-403 Shearon Harris Nuclear Power Plant, Unit 4, Carolina 05000403

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 AUTH. AFFILIATION: Carolina Power & Light Co.
 RECIP. NAME: DENTON, H. R.
 RECIP. AFFILIATION: Office of Nuclear Reactor Regulation, Director

SUBJECT: Forwards response to NRC request for addl financial info
 re: decommissioning, projected (5-yr) operating costs for
 FY81-FY85. Info required: result of request for amends to
 OLE.

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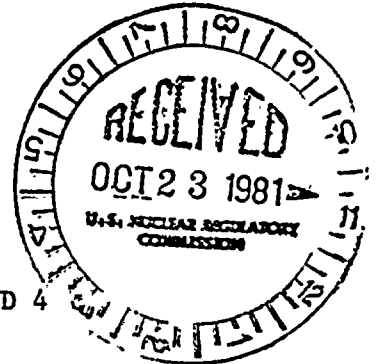
Carolina Power & Light Company

October 19, 1981

File: NG-3514(B)

Serial No.: NO-81-1713

Mr. Harold R. Denton, Director
Office of Nuclear Reactor Regulation
United States Nuclear Regulatory Commission
Washington, D.C. 20555



BRUNSWICK STEAM ELECTRIC PLANT, UNIT NOS. 1 & 2
DOCKET NOS. 50-325 AND 50-324
LICENSE NOS. DPR-71 AND DPR-62

AND

SHEARON HARRIS NUCLEAR POWER PLANT, UNIT NOS. 1, 2, 3, AND 4
DOCKET NOS. 50-400, 50-401, 50-402, AND 50-403

ADDITION OF CO-OWNER
TRANSMITTAL OF ADDITIONAL INFORMATION

Dear Mr. Denton:

Carolina Power & Light Company (CP&L) has submitted an application (Serial No.: NO-81-1413) requesting amendments to the Operating Licenses for the Brunswick Steam Electric Plant, Units Nos. 1 and 2 to add as co-owner of such Units the North Carolina Municipal Power Agency Number 3 (Power Agency). CP&L has also submitted applications requesting amendments to the Construction Permits and the Application for Operating Licenses for the Shearon Harris Nuclear Power Plant (SHNPP), Units Nos. 1, 2, 3, and 4 to add Power Agency as a co-owner of the SHNPP Units.

In recent telephone conversations with NRC's Office of State Programs, CP&L was requested to provide certain financial information regarding decommissioning, projected (five-year) operating costs for Brunswick Plant for 1981 through 1985, and the ability of Power Agency to meet any obligations it may have with respect to such costs.

Attachment I is a description of the contractual arrangements between CP&L and Power Agency and between Power Agency and the Municipal Participants concerning financial obligations associated with decommissioning. Attachment II is a CP&L consultant's report which reflects a decommissioning plan for CP&L's nuclear plants and provides an estimate of its cost. CP&L has submitted this report to the Federal Energy Regulatory Commission for approval and is awaiting a decision by that Commission.

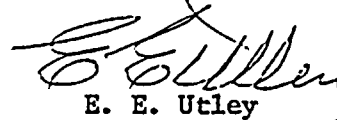
Attachment III is a description of the agreements between CP&L and Power Agency and between Power Agency and the Municipal Participants concerning financial obligations associated with operation of the Joint

3005
S/1

Facilities: Attachment IV is an estimate of projected operating costs for the Brunswick Plant for the five-year period 1981-1985. These estimates include O&M (Operating and Maintenance) expenditures, fuel costs, and construction expenditures, all of which are based on today's information. That is, the actual operating costs during the period may vary significantly from the Attachment IV values due to factors such as new regulatory requirements and the plant's future operating experience which may change present refueling schedules.

Please advise my staff if you require any additional information to complete your review.

Yours very truly,



E. E. Utley
Executive Vice President
Power Supply and
Engineering & Construction

JAM/lr (8824)
Attachments

cc: Messrs. D. G. Eisenhut
T. A. Ippolito
M. L. Karlowicz
E. A. Licitra
F. J. Miraglia, Jr.
J. Van Vliet

Attachment I

Carolina Power & Light Company

NRC REQUEST FOR ADDITIONAL FINANCIAL INFORMATION

SUBJECT: Decommissioning Costs

Pursuant to the Project Agreements between CP&L and Power Agency, Power Agency will pay its proportionate share of all costs associated with the cancellation, retirement or decommissioning of the Joint Units. Section 25.3 of the Purchase, Construction and Ownership Agreement (submitted as Exhibit F to this Application) requires Power Agency to bear its share of the costs of cancellation or decommissioning of any Joint Unit which is cancelled or decommissioned prior to the date of Commercial Operation of such Unit. Section 22.2 of the Operating and Fuel Agreement (submitted as Exhibit E to this Application) requires Power Agency to bear its share of the costs of retirement or decommissioning of any Joint Unit which is retired or decommissioned after the date of Commercial Operation of such Unit. These commitments extend for whatever period of time is necessary to complete the cancellation, retirement or decommissioning process so that no further expenditure of funds is required.

Power Agency will include in its Monthly Project Power Costs to be charged its Participants pursuant to the Initial Project Power Sales Agreements (the form of which has been submitted as Exhibit B.1 to this Application) charges sufficient to enable Power Agency to meet its commitment to bear its share of the costs of cancellation, retirement or decommissioning of the Joint Units. Each Participant agrees in the Initial Project Power Sales Agreement to pay its Participant's Share of such Monthly Project Power Costs. Such costs are defined in Section 1(t) of the Initial Project Power Sales Agreement as including all costs incurred by Power Agency resulting from the retirement or decommissioning of the Initial Project, and the providing of reserves for such purposes. The Initial Project Power Sales Agreement imposes an unconditional "take or pay" commitment, thereby obligating each Participant to pay its Participant's Share of Monthly Project Power Costs whether or not the Joint Facilities are completed, operable, operating, or retired or decommissioned and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of the Joint Facilities, or the power and energy contracted for, in whole or in part, for any reason whatsoever. Power Agency will establish a reserve for such costs in the Decommissioning Fund established pursuant to Section 5.5 of the Bond Resolution proposed to be adopted by Power Agency's Board of Commissioners (submitted as Exhibit G to this Application).

Attachment II

Carolina Power & Light Company

Determination of Depreciation
Provisions for Nuclear
Production Plant for
Implementation the First
Quarter of 1981 - FERC Basis

One Main Place
Dallas, Texas 75250
(214) 748-6601
Telex 732648

Carolina Power & Light Company
P. O. Box 1551
Raleigh, North Carolina 27602

November 15, 1980

Attention of Mr. Paul S. Bradshaw
Vice President and Controller

In accordance with your request, we have completed a study of the capital recovery requirements, on a Federal Energy Regulatory Commission (FERC) basis, for the Company's three nuclear generating units. The study results in recommended depreciation rates for each account and recommended annual depreciation provisions for decommissioning each plant. Presented herein are the bases for the determination of the depreciation rates, the determination of the estimated cost for accomplishing decommissioning, discussion of methods of capital recovery consistent with the framework of depreciation accounting principles and regulatory rules, our recommendation of the capital recovery method to be used for decommissioning, and calculation of the annual decommissioning depreciation provision for each unit for the recommended method.

As a result of the Final Order in FERC Docket No. ER76-495, the Company has been authorized by its Federal and state regulatory bodies to use different depreciation rates for Nuclear Production Plant. The Final Order authorized a depreciation rate of 4.0% based on an average service life of 25 years and zero net salvage. The rates authorized by the state regulatory bodies are based on 25 years and 7.3% negative net salvage.

In adopting a zero net salvage factor, the Final Order in Docket No. ER76-495 states that it was "without prejudice to a redetermination of this item when information becomes available." (Order page 5). This study provides the basis for redetermination of salvage, and recognizes that portion of the existing book depreciation reserve applicable to net salvage. For Federal regulatory purposes the existing depreciation reserve applicable to net salvage is zero, while for state regulatory purposes it is positive. This distinction requires a unique determination for FERC purposes of the depreciation provisions for decommissioning the nuclear units.



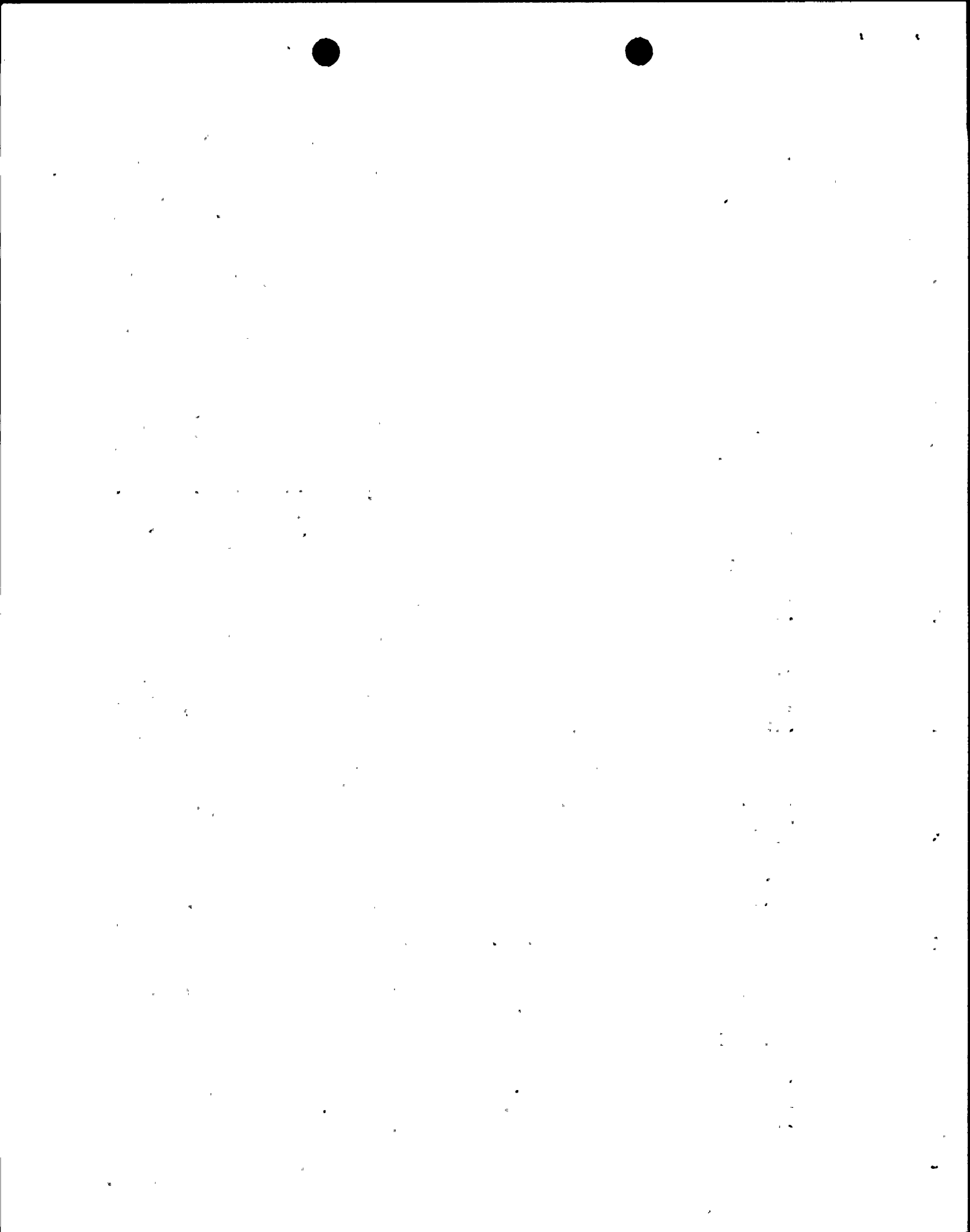
The study reported here confirms that the 4.0% depreciation rate is lower than can be justified and determines the annual depreciation provisions required to cover net salvage (decommissioning). Schedule 1 shows the average service lives, net salvage factors, and previously approved annual depreciation rates for each account in Columns 4, 5 and 6, respectively. Column 7 shows the average service lives that are justifiable.

As a result of our study, we recommend that the Internal Sinking Fund Depreciation method of capital recovery be used for providing for the decommissioning costs of the nuclear units. A summary of the annual and total revenue requirements, total depreciation expense and ultimate cash expenditure for decommissioning each unit is shown on Schedule 2.

Because of the negative impact of the book depreciation reserve, total revenue requirements are much less than total depreciation expense, amounting to only \$10,686,000 annually, as shown on Schedule 2. The annual depreciation provisions, anticipated to commence the first quarter of 1981, for each unit are shown on Schedule 3. The accumulated depreciation provision for decommissioning is zero as of December 31, 1980 as a result of the zero net salvage component in the existing depreciation rates. The depreciation provision we recommend for the first year is \$10,686,000, as shown on Schedule 3.

A major purpose of the nuclear decommissioning section of this report is to provide a procedure for calculating the required capital recovery amounts. The Company has a policy of periodic review of the adequacy of its depreciation rates used for capital recovery. The reasons for this policy also require its application to the capital recovery for decommissioning the nuclear units. The criteria used for this study are outlined on Schedule 4 and illustrate the need to periodically review the bases for capital recovery. The calculations of the actual cash expenditures for decommissioning, annual and total depreciation provisions, and annual revenue requirements for Robinson No. 2 appear on Schedule 5, for Brunswick No. 2 on Schedule 6, and for Brunswick No. 1 on Schedule 7.

The remainder of this report discusses the bases for the study, how it was accomplished and our recommendations for present and future actions relative to the depreciation rates and the capital recovery of the decommissioning costs for the nuclear generating units.



PURPOSE OF DEPRECIATION

The purpose of depreciation is to provide for the recovery of invested capital and net salvage over the life of the facilities constructed with that capital from those customers receiving benefits from the facilities in a pattern that matches the pattern of customer benefit. The Uniform System of Accounts prescribed for electric utilities by the Federal Energy Regulatory Commission (FERC) states that depreciation "as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities. Service value means the difference between original cost and net salvage value of electric plant."

Depreciation accounting is an allocation process whereby consumption of physical assets is recognized in the income statement of a business enterprise. The purpose of depreciation expense is to provide full recovery of invested capital adjusted for net salvage to be incurred at the time the facilities are decommissioned, over the expected life of the facilities constructed with that capital from those customers receiving benefits from the facilities. The study reported here is consistent with this purpose.

The capital recovery requirements for decommissioning discussed in this report cover only the net salvage component of depreciation. The FERC Uniform System of Accounts defines net salvage value as "the salvage value of property retired less the cost of removal. Salvage value means the amount received for the property retired," and "cost of removal means the cost of demolishing, dismantling, tearing down or otherwise removing the electrical plant, including the cost of transportation and handling incidental thereto." Thus, it is the decommissioning cost that will actually be incurred that is required to be recognized by the Company through capital recovery. For Nuclear Production Plant, cost of removal and decommissioning cost are synonymous terms.

LIFE ANALYSIS

The remaining service life of each nuclear generating unit was based on the term of the operating license granted by the Nuclear Regulatory Commission. The lives of Robinson 2 and Brunswick Units 1 and 2 were adjusted downward from those indicated by the license in order to recognize the uncertainty as to whether such installations will be permitted to operate for the full term of their license. The existence of this uncertainty and the need to reflect it in the depreciation rates are unquestioned. This rational method of life

adjustment for recognizing the uncertainty surrounding the continued operation of Carolina Power & Light's nuclear units is considered to be the most reasonable procedure for doing so.

An additional reason for the downward adjustment of the capital recovery period is the fact that totals of the already elapsed operating lives of the three nuclear units and their remaining lives is either equal to or less than the 25 year average service life determined applicable to these units by the FERC in Docket No. ER76-495, as illustrated by the table below.

<u>Unit</u>	<u>Elapsed Life Years</u>	<u>Remaining Period Years</u>	<u>Total Years</u>
Robinson No. 2	9	16	25
Brunswick No. 1	3	19	22
Brunswick No. 2	5	19	24

The approach for recognizing retirement dispersion is through the development of an interim activity factor applicable to each primary account. An analysis of past retirements identifies activity which is not true interim retirements. The analysis results in the determination of the annual depreciation rate that would have provided an amount sufficient to cover past interim retirements. The interim activity factors selected for use as a result of an evaluation of the significance of past retirement experience reflect the fact that some existing plants are mature and some are not, and also the fact that historical experience may or may not be a reasonable indication of what will happen to the new modern generating plants. The analysis included the experience of both steam and nuclear generating units.

CALCULATION OF AVERAGE SERVICE LIFE

The average service lives for each account are determined from depreciation rates calculated using the following formula:

$$ASL = \frac{100}{\text{Base Rate} + \text{Interim Activity Factor}}$$

Where:

$$\text{Base Rate} = \frac{PB - BR}{ARL} \times 100$$

ASL = Average Service Life, years
 PB = Depreciable Plant Balance, \$
 BR = Book Reserve, \$
 ARL = Average Remaining Life, years

The resulting average service lives vary from 20 to 23 years.



ESTIMATES OF DECOMMISSIONING COSTS

Decommissioning cost estimates were made by Nuclear Energy Services, Inc. (NES), for three different decommissioning processes: immediate removal, entombment with removal after a 30 year delay and entombment with removal after a 100 year delay. Costs were estimated at mid 1979 price levels for each of the three units. For example, the costs from the NES report for engineering and preparation, entombment; surveillance (annual), and removal are shown on Line 1, Page 1 of Schedule 5 for Robinson No. 2. Column 1 of the Schedule shows that the preparation process takes 12 months, the entombment process takes 22 months, and the removal process takes 61 months. The same data for the Brunswick units are shown on Page 1 of Schedules 6 and 7.

DECOMMISSIONING PROCEDURE

The NES report estimated costs for three decommissioning processes. Entombment with removal after a delay of 100 years was not considered by the Company to be a reasonable basis for calculating capital recovery requirements. Company studies indicate that entombed property will not require significant maintenance for 30 years, thus the 30 year delay option will allow taking advantage of the "state of the art" developed by other utilities which will have decommissioned units during the 30 year dormancy period. The delay period will result in decreased exposure of personnel to radiation. It has been determined that the Company will use the 30 year delay process, therefore, this report covers only the entombment process with a 30 year delay in removal.

CAPITAL RECOVERY METHOD

Two basic capital recovery methods exist: Internal Sinking Fund Depreciation and Straight-Line Depreciation, both of which meet the required accounting and regulatory framework of depreciation. Two external methods of providing for decommissioning cost exist: Prepaid Invested Fund and Progressively Paid Invested Fund. The total revenue requirements for the external methods are significantly higher than for the capital recovery methods, therefore, the external methods are not covered by this report.

Of the two basic capital recovery methods available, the Internal Sinking Fund Depreciation approach was selected as providing the most reasonable balance between the interest of investors and customers, especially during periods of high or uncertain inflation. This method has significantly lower annual revenue requirements in the early years than Straight-Line Depreciation. Total revenue requirements are lowest for Straight-Line Depreciation, but because of the high annual revenue requirements in early years this method was not used.

The utility regulatory process allows the sinking fund concept of depreciation to be applied with either a depreciated or an undepreciated rate base. The correct terminology for an undepreciated rate base is Sinking Fund and for a depreciated rate base is Modified Sinking Fund. Either way, the book reserve is the accumulation of the annual annuity amount collected from customers plus the annual interest on the reserve. If the annual interest is not included in revenue requirements, the accumulated provision is not a deduction for the determination of rate base. If the annual interest is included in revenue requirements, the accumulated provision is a deduction for the determination of rate base.

The discussion in this report relates to Modified Sinking Fund, as the regulatory process most often deals with depreciation provisions that affect rate base. However, it should be noted that use of the after-tax rate of return as the sinking fund interest rate makes the revenue requirements for Modified Sinking Fund identical to those for Sinking Fund, with tax normalization.

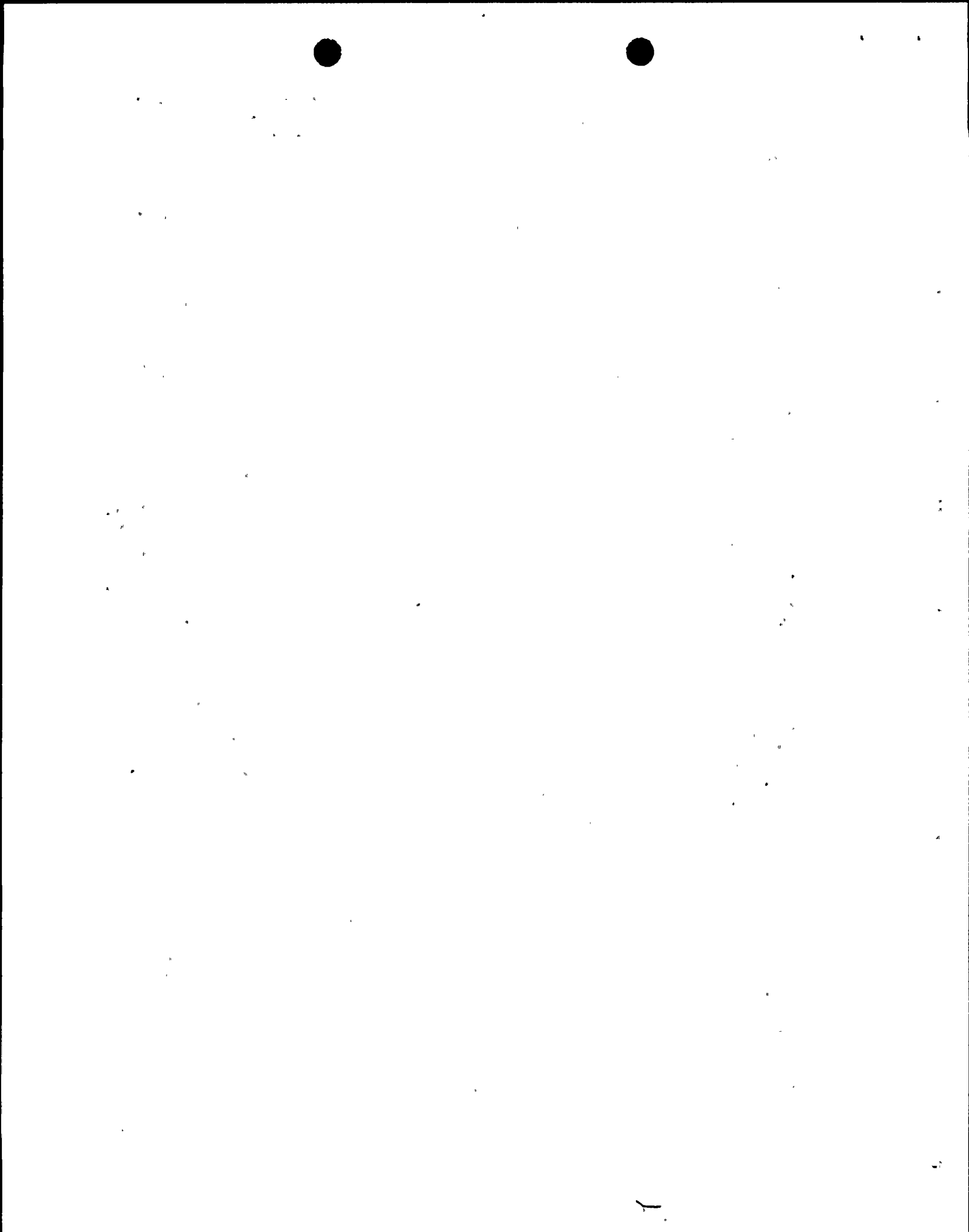
DECOMMISSIONING STUDY CRITERIA

The study criteria are listed on Schedule 4. As discussed above, this report covers only entombment with a 30 year delay in removal. In order to recognize the uncertainty as to whether nuclear units will be permitted to operate for the full term of their license, the remaining lives for depreciation rate calculation purposes were adjusted downward ten years from those indicated by the license termination dates. The license termination dates for the units are as follows:

<u>UNIT</u>	<u>OPERATING LICENSE TERMINATION</u>
Robinson No. 2	April 13, 2007
Brunswick No. 1	February 7, 2010
Brunswick No. 2	February 6, 2010

In order to be consistent with the basis for the calculation of depreciation rates, the capital recovery period for Robinson No. 2 ends April 13, 1997 and for Brunswick No. 1 and No. 2 February 7 and February 6, 2000, respectively. Costs for each component of the decommissioning process at these dates for each unit are shown on Page 1, Line 5 of Schedules 5, 6, and 7.

In order to eliminate revenue requirements beyond the end of unit life, it was assumed that the accumulated fund would be turned into cash and invested at the end of life. The earnings on the investment were assumed to be 1.5 percentage points above the inflation rate and not subject to income tax.



Cost of removal was assumed to be a tax deduction at the time the accumulated fund was turned into cash and invested. Revenue requirements are calculated assuming tax normalization.

Inflation rates of 9.6% from mid-1979 to mid-1980, 8% from mid-1980 thru 1990 and 6% beyond were used in all calculations.

The capital structure and costs are as shown by Item (9) on Schedule 4. The resulting composite rate of return is 10.18%. The sinking fund interest rate of 7.936% is calculated from this capital structure and the effective tax rate of 49.24%.

The existing amount of book reserve is zero, as the FERC has authorized depreciation rates based on zero net salvage. Use by the Company of the calculated depreciation provisions is anticipated to commence the first quarter of 1981.

CALCULATION OF CAPITAL RECOVERY REQUIREMENT

The capital recovery requirement for Robinson No. 2 is calculated on Page 1 of Schedule 5, for Brunswick No. 2 on Page 1, Schedule 6, and for Brunswick No. 1 on Page 1, Schedule 7. The ultimate cash expenditures for each unit are also calculated on Page 1 for everything but surveillance; and for surveillance on Page 2. This discussion will cover only Schedule 5 for Robinson, as the calculations are identical for Brunswick.

As discussed above, the figures on Page 1, Line 1 and the decommissioning process timing in Column 1 are from the NES report. Actual inflation of 9.6% is used to update the costs to a mid 1980 price level. The future value factor for inflation occurring thru 1990 is calculated on Line 3 and from 1990 to the life termination point on Line 4. The factor for the entire period since mid 1980 is shown on Line 5, Column 4 and is applied to the mid 1980 costs on Line 2 to calculate the costs at the price level anticipated at the life termination point shown in Columns 5 through 8, Line 5.

The ultimate cash expenditures are assumed to be made at the midpoint of each period, therefore, the 12 month preparation process has an expenditure point a half-year beyond life termination, as shown on Line 6, Column 3. The future value factor shown on Line 6, Column 4 is applied to the engineering and preparation cost shown on Line 5, Column 5 to determine the ultimate cash expenditure. The ultimate cash expenditures for entombment, surveillance, and removal are calculated in a similar manner in Columns 6, 7, and 8. For surveillance, the figure calculated is the amount that would be expended during the first year of surveillance. This figure is also shown for year one on Page 2 of Schedule 5.



Page 2 shows the expenditures that would be made in each of the thirty years and the total. The ultimate cash expenditures for decommissioning shown on Schedule 2 for each unit are taken from Pages 1 and 2 of Schedules 5, 6, and 7. The calculations for Brunswick No. 1 anticipate its decommissioning process will start one year after that for No. 2.

The fund required at the end of life for Robinson No. 2 is calculated on Lines 14 through 18 on Page 1 of Schedule 5. As shown in Column 2, the rate of earnings on the investments made at the end of plant life is 7.5%; 1.5% above the inflation rate. The present value factors for preparation, entombment and removal are calculated in Column 4, Lines 14, 15, and 16, respectively. The present value of the expenditure for engineering and preparation is calculated on Line 14, Column 5 by applying the factor in Column 4 to the expenditure shown in Column 5, Line 6. The present value for entombment and removal are calculated in a similar manner. The fund required at the end of plant life to provide for annual surveillance payments is calculated on Line 17, and amounts to \$10,384,435. Recognizing earnings at 7.5% from the end of life to the first year of expenditures results in a present value of \$8,161,927 as shown in Column 7, Line 18. The total capital recovery amount of \$112,910,970 appears in Column 9, Line 19.

ANNUAL REVENUE REQUIREMENTS

The annual revenue requirements for each unit are calculated on Page 4 of Schedules 5, 6, and 7. The calculations assume the capital recovery we recommend will commence the first quarter of 1981.

The annuity amounts for the units are calculated on Page 3 of Schedules 5, 6, and 7. The capital recovery period is 16.28 years for Robinson No. 2 and 19.10 years for each Brunswick unit. As shown, the required annual annuity amount for Robinson is \$3,632,263. As the revenue requirements are calculated in thousands, the annuity amount is rounded to \$3,632, and appears in Column 6, Page 4 of Schedule 5. The revenue requirements consist of the annuity amount, fund interest and impact of the book reserve and deferred taxes on return and income taxes. The determination of the annuity amounts in Column 6 has already been discussed. The interest in Column 7 is calculated on the reserve at the end of the prior year in Column 4, using a rate of 7.936%. Return in Column 8 is calculated on the reduced outstanding capital in Column 3, using the rate of return of 10.18%. The income taxes calculated in Column 9 recognize that the debt portion of capital is a deduction for tax purposes and the composite tax rate of 49.24%. As is obvious from the calculation, return is generated from reduced outstanding capital; the net of book reserve and the reserve for deferred income taxes.

The annual depreciation provisions for each unit shown on Schedule 3 are the total of Columns 6 and 7 on Page 4 of Schedules 5, 6, and 7.

The discussion in this report relates to Modified Sinking Fund, but the inclusion of the revenue requirements for nuclear decommissioning in a revenue rate case could be on either the basis of Sinking Fund or Modified Sinking Fund. The subcaptions for the income statement accounts on Page 4 of Schedules 5, 6, and 7 are for Sinking Fund. Under Sinking Fund the only component of revenue requirements is the annuity amount in Column 6. Under Modified Sinking Fund, the revenue requirements are those in Column 5; the total of Columns 6 through 9. Use of the internal after-tax rate of return as the interest rate makes the revenue requirements identical for Sinking Fund and Modified Sinking Fund. The minor differences between Columns 5 and 6 are due to rounding.

Thus, the Company has the option of using either Sinking Fund or Modified Sinking Fund in determining revenue requirements for a revenue rate case. Care should be taken when using Sinking Fund to ensure all parties understand the distinction between Sinking Fund and Modified Sinking Fund.

RESULTS

In order to give recognition to the uncertainty surrounding the continued operation of nuclear units in service due to political and regulatory constraints, the remaining service life of each unit was decreased ten years from that indicated by the termination date of the operating license granted by the Nuclear Regulatory Commission for life calculation purposes. The resulting remaining lives were used in the test of the validity of the existing 4.0% rate and in determining the depreciation provisions for decommissioning.

The average service life, net salvage factor, and recommended depreciation rate for each account is shown on Schedule 1, Columns 4, 5, and 6, respectively. As discussed above, average service lives were calculated for each account. The calculated lives shown in Column 7 vary from 20 to 23 years, compared to the 25 years approved by the FERC.

The determination of the depreciation provisions for decommissioning was discussed above.

RECOMMENDATIONS

Our recommendations for your future action in regard to book depreciation for the nuclear units are as follows:

1. The annual depreciation rates calculated on Schedule 1, are lower than can be justified, but we recommend they continue to be used for the time being.

2. The Internal Sinking Fund Depreciation method of capital recovery should be used for decommissioning.
3. The annual depreciation provisions shown on Schedule 3 are applicable to each unit and should be adopted.
4. The criteria shown on Schedule 4 for the determination of decommissioning capital recovery requirements will likely change over time, and actual experience for certain criteria probably will not be identical to that estimated. Therefore, future capital recovery requirements should be recalculated periodically, using the calculation procedures illustrated on Schedules 5, 6, and 7.

We appreciate this opportunity to serve Carolina Power & Light Company, and would be pleased to meet with you to discuss further the matters presented in this report, if you desire.

John S. Ferguson

CAROLINA POWER & LIGHT COMPANY

FERC Basis
Summary of Mortality Characteristics
and Recommended Depreciation Rates

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	FERC Acct.	Description	FERC Approved Rates Docket No. ER76-495			Average Service Life Justifiable Years
			Average Service Life Years	Net Salvage Factor %	Rate %	
<u>Nuclear Production Plant (a)</u>						
1	320	Land and Land Rights (Rights-of-Way)	25	0	4.000	20
2	321	Structures and Improvements	25	0	4.000	23
3	322	Reactor Plant Equipment	25	0	4.000	21
4	323	Turbogenerator Units	25	0	4.000	23
5	324	Accessory Electric Equipment	25	0	4.000	23
6	325	Miscellaneous Power Plant Equipment	25	0	4.000	21

Note: (a) The effect of decommissioning cost is treated separately.

CAROLINA POWER & LIGHT COMPANY
 FERC Basis
 Revenue Requirements, Depreciation Expense and
 Ultimate Cash Expenditure - 30 Year Delay

(1) <u>Line</u>	(2) <u>Particulars</u>	(3) <u>Robinson No. 2 \$</u>	(4) <u>Brunswick No. 2 \$</u>	(5) <u>Brunswick No. 1 \$</u>	(6) <u>Total \$</u>
	Revenue Requirements after December 31, 1980				
1	Annual	3,632,000	4,038,000	3,016,000	10,686,000
2	Total	59,137,000	77,139,000	57,614,000	193,890,000
3	Total Depreciation Expense	112,911,000	167,905,000	125,410,000	406,226,000
	Ultimate Cash Expenditure				
4	Engineering & Preparation	13,887,794	16,355,322	15,695,443	
5	Entombment	28,250,873	34,610,875	26,810,219	
6	Surveillance (30 years)	33,303,418	39,182,505	16,258,474	
7	Removal	<u>861,933,096</u>	<u>1,446,921,762</u>	<u>1,128,834,365</u>	
8	Total Expenditure	<u>937,375,181</u>	<u>1,537,070,464</u>	<u>1,187,598,501</u>	3,662,044,146

CAROLINA POWER & LIGHT COMPANY
 FERC Basis
 Depreciation Provisions for
 Internal Sinking Fund Method of Capital Recovery

	<u>Robinson</u> <u>No. 2</u> <u>(000)</u>	<u>Brunswick</u> <u>No. 2</u> <u>(000)</u>	<u>Brunswick</u> <u>No. 1</u> <u>(000)</u>	<u>Total</u> <u>(000)</u>
1981	\$ 3,632	\$ 4,038	\$ 3,016	\$ 10,686
1982	3,920	4,358	3,255	11,533
1983	4,231	4,704	3,514	12,449
1984	4,567	5,078	3,793	13,438
1985	4,930	5,481	4,094	14,505
1986	5,321	5,916	4,418	15,655
1987	5,743	6,385	4,769	16,897
1988	6,199	6,892	5,148	18,239
1989	6,691	7,439	5,556	19,686
1990	7,222	8,029	5,997	21,248
1991	7,795	8,666	6,473	22,934
1992	8,414	9,354	6,987	24,755
1993	9,081	10,096	7,541	26,718
1994	9,802	10,898	8,139	28,839
1995	10,580	11,762	8,785	31,127
1996	11,419	12,696	9,483	33,598
1997	3,364	13,703	10,235	27,302
1998		14,791	11,047	25,838
1999		15,965	11,924	27,889
2000		<u>1,654</u>	<u>1,236</u>	<u>2,890</u>
Total	<u>\$112,911</u>	<u>\$167,905</u>	<u>\$125,410</u>	<u>\$406,226</u>

CAROLINA POWER & LIGHT COMPANY
 FERC Basis
 Criteria for Determination of
 Decommissioning Revenue Requirements

- (1) Removal 30 Years after entombment
- (2) Capital recovery period 10 years less than the termination date of the operating license
- (3) Accumulated fund invested at end of life with earnings 1 1/2% over inflation and not taxed
- (4) Effective tax rate - 49.24%
- (5) Cost of removal is a tax deduction at the time the accumulated fund is invested
- (6) Deferred taxes included in revenue requirements
- (7) Revenue requirement basis
- (8) Inflation: 9.6% Mid-1979 - Mid 1980 (Actual experience)
 8.0% Mid-1980 through 1990
 6.0% Beyond 1990
- (9) Capital structure (3 year average) and cost rates (9-30-80):

Debt	49.86%	x	9.14%	=	4.56%
Preferred	13.30	x	8.50	=	1.13
Equity	<u>36.84</u>	x	12.19	=	<u>4.49</u>
Composite	100.00%				10.18%

- (10) Annuity interest rate = R - TIB
 10.18 - (0.4924 x 0.4986 x 9.14) = 7.936%
- (11) Timing and magnitude of expenditures for decommissioning per NES Report
- (12) Starting date for depreciation provisions for D/C based upon internal sinking fund method of capital recovery - January 1, 1981

CAROLINA POWER & LIGHT COMPANY
FERC Basis
Calculation of Ultimate Cash Expenditures
and Total Capital Recovery for Robinson No. 2

Line	(1) Particulars	(2) Rate %	(3) Period Years	(4) Factor	(5) Engineering and Preparation \$	(6) Entombment \$	(7) Surveillance \$	(8) Removal \$	(9) Total Present Value
1	Cost at Mid - 1979				3,802,300	7,120,500	97,800/yr.	30,936,500	
2	Actual Inflation - Mid '79 - Mid '80	9.6	1.0	1.096	4,167,321	7,804,068	107,189/yr.	33,906,404	
3	Factor - 1980 - 1990	8.0	10.5	2.243621					
4	1990 - April 13, 1997	6.0	6.29	1.442693					
5	Mid-1980 - April 13, 1997		16.79	3.236856	13,489,018	25,260,644	346,955/yr.	109,750,147	
6	12 Month Preparation	6.0	0.5	1.029563	13,887,794				
7	12 Month Preparation	6.0	1.00	1.118375		28,250,873			
8	22 Month Entombment	6.0	0.92						
9	34 Month Preparation and Entombment	6.0	2.83	1.214139		421,252/yr.			
10	12 Month Preparation	6.0	0.50						
11	34 Month Preparation and Entombment	6.0	2.83	7.853594					
12	30 Year Delay	6.0	30.00				861,933,096		
13	61 Month Removal	6.0	2.54						
<u>Fund Required at April 13, 1997</u>					<u>Present Value</u>	<u>Present Value</u>	<u>Present Value</u>	<u>Present Value</u>	<u>Total Present Value</u>
14	Preparation	7.5	0.5	0.964486	13,394,583				\$ 13,394,583
15	Entombment	7.5	1.92	0.870354		24,588,260			24,588,260
16	Removal Surveillance	7.5	35.37	0.077461			66,766,200		66,766,200
Fund at August, 2000									
17	$\left[\frac{(1.06)^{30}}{(1.075)} - 1 \right]$								
18	$\frac{1}{0.06-0.075}$								
	X 1.075 - (24.651361)								
	X Annual Cost								
	X Fund								
19		7.5	3.33	.785977			8,161,927		8,161,927
									<u>\$112,910,970</u>

CAROLINA POWER & LIGHT COMPANY
FERC Basis
Annual Surveillance Cost
for Robinson No. 2

Year After Entombment		Annual Surveillance Cost
Year		<u>\$</u>
1		421,252
2		446,527
3		473,319
4		501,718
5		531,821
6		563,730
7		597,554
8		633,407
9		671,412
10		711,696
11		754,398
12		799,662
13		847,642
14		898,500
15		952,410
16		1,009,555
17		1,070,128
18		1,134,336
19		1,202,396
20		1,274,540
21		1,351,012
22		1,432,073
23		1,517,997
24		1,609,077
25		1,705,622
26		1,807,959
27		1,916,437
28		2,031,423
29		2,153,308
30		<u>2,282,507</u>
Total		<u>33,303,418</u>

CAROLINA POWER & LIGHT COMPANY
FERC Basis
Sinking Fund Requirements for Robinson No. 2

Return = 10.18%

After tax interest (R - TIB) = 7.936%

30-year delay
Recovery period

January 1, 1981 - April 13, 1997 = 16.28 yrs.

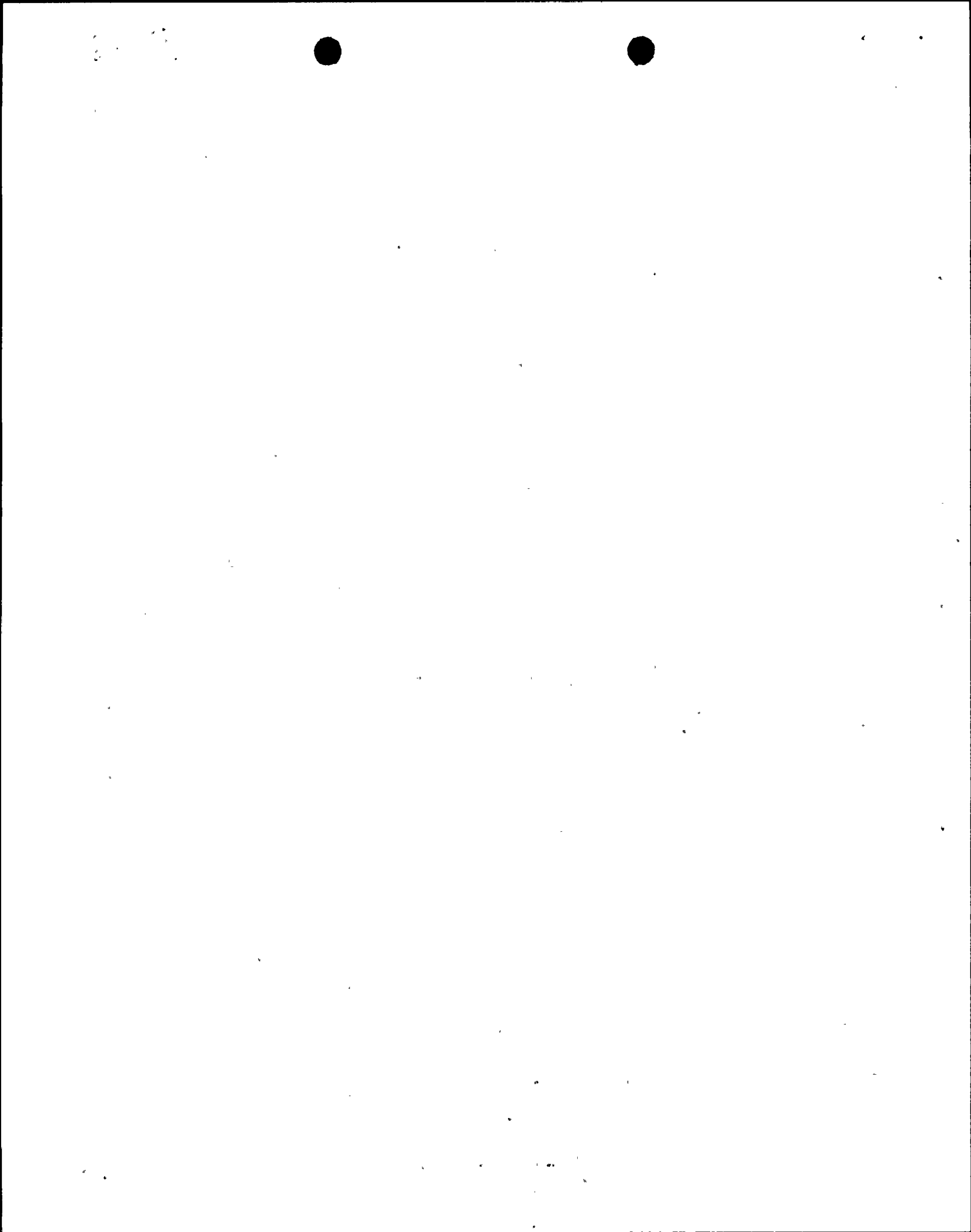
Cost at the end of plant life

\$112,910,970

$\frac{1}{16.28}$				
$\frac{(1.07936) - 1}{.07936}$	x	112,910,970	=	
.0321692671	x	112,910,970	=	\$ 3,632,263
		Annuity		<u>\$ 3,632</u>

CAROLINA POWER & LIGHT COMPANY
 FERC Basis
 Calculation of Annual Revenue
 Requirements for Robinson No. 2
 (000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<u>BALANCE SHEET ACCOUNTS</u>				<u>INCOME STATEMENT ACCOUNTS</u>						
<u>YEAR</u>	<u>DEFERRED TAXES-DR</u>	<u>REDUCED OUTSTANDING CAPITAL</u>	<u>D/C RESERVE</u>	<u>COST OF SERVICE</u>			<u>NON COST OF SERVICE</u>		<u>INFLATION ADJUSTED CURRENT COST</u>	<u>RESERVE RATIO</u>
				<u>REVENUE</u>	<u>D/C EXPENSE</u>	<u>INTEREST</u>	<u>RETURN</u>	<u>INCOME TAXES</u>		
1981	\$ 1,788	\$ 1,844	\$ (3,632)	\$ (3,632)	\$ 3,632	\$ -0-	\$ -0-	\$ -0-	\$ 39,161	.0927
1982	3,719	3,833	(7,552)	(3,631)	3,632	288	(188)	(101)	42,294	.1786
1983	5,802	5,981	(11,783)	(3,632)	3,632	599	(390)	(209)	45,677	.2580
1984	8,051	8,299	(16,350)	(3,632)	3,632	935	(609)	(326)	49,331	.3314
1985	10,478	10,802	(21,280)	(3,632)	3,632	1,298	(845)	(453)	53,278	.3994
1986	13,098	13,503	(26,601)	(3,632)	3,632	1,689	(1,100)	(589)	57,540	.4623
1987	15,926	16,418	(32,344)	(3,632)	3,632	2,111	(1,375)	(736)	62,143	.5205
1988	18,979	19,564	(38,543)	(3,633)	3,632	2,567	(1,671)	(895)	67,114	.5743
1989	22,273	22,961	(45,234)	(3,632)	3,632	3,059	(1,992)	(1,067)	72,483	.6241
1990	25,829	26,627	(52,456)	(3,633)	3,632	3,590	(2,337)	(1,252)	78,282	.6701
1991	29,668	30,583	(60,251)	(3,632)	3,632	4,163	(2,711)	(1,452)	82,979	.7261
1992	33,811	34,854	(68,665)	(3,634)	3,632	4,782	(3,113)	(1,667)	87,958	.7807
1993	38,282	39,464	(77,746)	(3,633)	3,632	5,449	(3,548)	(1,900)	93,236	.8333
1994	43,109	44,439	(87,548)	(3,634)	3,632	6,170	(4,017)	(2,151)	98,830	.8858
1995	48,310	49,810	(98,128)	(3,633)	3,632	6,948	(4,524)	(2,423)	104,759	.9367
1996	53,941	55,606	(109,547)	(3,632)	3,632	7,787	(5,071)	(2,716)	111,045	.9865
4/13/1997	55,597	57,314	(112,911)	(1,018)	1,017	2,347	(1,528)	(818)	112,911	1.0000
TOTAL.				<u>\$ (59,137)</u>	<u>\$59,129</u>	<u>\$53,782</u>	<u>\$(35,019)</u>	<u>\$(18,755)</u>		



CAROLINA POWER & LIGHT COMPANY
 FERC Basis
 Calculation of Ultimate Cash Expenditures
 and Total Capital Recovery for Brunswick No. 2

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<u>Line</u>	<u>Particulars</u>	<u>Rate</u> %	<u>Period</u> <u>Years</u>	<u>Factor</u>	<u>Engineering</u> <u>and</u> <u>Preparation</u> \$	<u>Entombment</u> \$	<u>Surveillance</u> \$	<u>Removal</u> \$	
1	Cost at Mid - 1979				3,806,000	7,414,600	97,800/yr.	44,243,700	
2	Actual Inflation - Mid '79 - Mid '80	9.6	1.00	1.096	4,171,376	8,126,402	107,189/yr.	48,491,095	
3	Factor - 1980 - 1990	8.0	10.50	2.243621					
4	1990 - Feb. 6, 2000	6.0	9.08	1.697373					
5	Mid-1980 - Feb. 6, 2000		19.58	3.808262	15,885,693	30,947,468	408,204/yr.	184,666,794	
6	12 Month Preparation	6.0	0.50	1.029563	16,355,322				
7	12 Month Preparation	6.0	1.00	1.118375		34,610,875			
8	22 Month Entombment	6.0	0.92						
9	34 Month Preparation and Entombment	6.0	2.83	1.214139		495,616/yr.			
10	12 Month Preparation	6.0	0.50						
11	34 Month Preparation and Entombment	6.0	2.83	7.835311			1,446,921,762		
12	30 Year Delay	6.0	30.00						
13	60 Month Removal	6.0	2.5						
<u>Fund Required at Feb. 6, 2000</u>					<u>Present</u> <u>Value</u>	<u>Present</u> <u>Value</u>	<u>Present</u> <u>Value</u>	<u>Present</u> <u>Value</u>	<u>Total</u> <u>Present</u> <u>Value</u>
14	Preparation	7.5	0.5	0.964486	15,774,479			\$ 15,774,479	
15	Entombment	7.5	1.92	0.870354		30,123,713		30,123,713	
16	Removal	7.5	35.33	0.077685			112,404,117	112,404,117	
	Surveillance								
	Fund at June, 2003								
17	$\left[\frac{(1.06)^{30}}{(1.075)^{30} - 1} \right] \times 1.075 - (24.651364) (495,616) = 12,217,610$								
18		7.5	3.33	0.785977		9,602,760		9,602,760	
19							Total	<u>\$167,905,069</u>	

CAROLINA POWER & LIGHT COMPANY
FERC Basis
Annual Surveillance Cost
for Brunswick No. 2

Year After Entombment		Annual Surveillance Cost
		<u> </u>
		§
Year	1	495,616
	2	525,353
	3	556,874
	4	590,287
	5	625,704
	6	663,246
	7	703,041
	8	745,223
	9	789,937
	10	837,333
	11	887,573
	12	940,827
	13	997,277
	14	1,057,113
	15	1,120,540
	16	1,187,773
	17	1,259,039
	18	1,334,581
	19	1,414,656
	20	1,499,536
	21	1,589,508
	22	1,684,878
	23	1,785,971
	24	1,893,129
	25	2,006,717
	26	2,127,120
	27	2,254,747
	28	2,390,032
	29	2,533,434
	30	<u>2,685,440</u>
	Total	<u>39,182,505</u>

CAROLINA POWER & LIGHT COMPANY
FERC Basis
Sinking Fund Requirements for Brunswick No. 2

Return = 10.18%

After tax interest (R - TIB) = 7.936%

30-year delay
Recovery period

January 1, 1981 - February 6, 2000 = 19.10 yrs.

Cost at the end of plant life

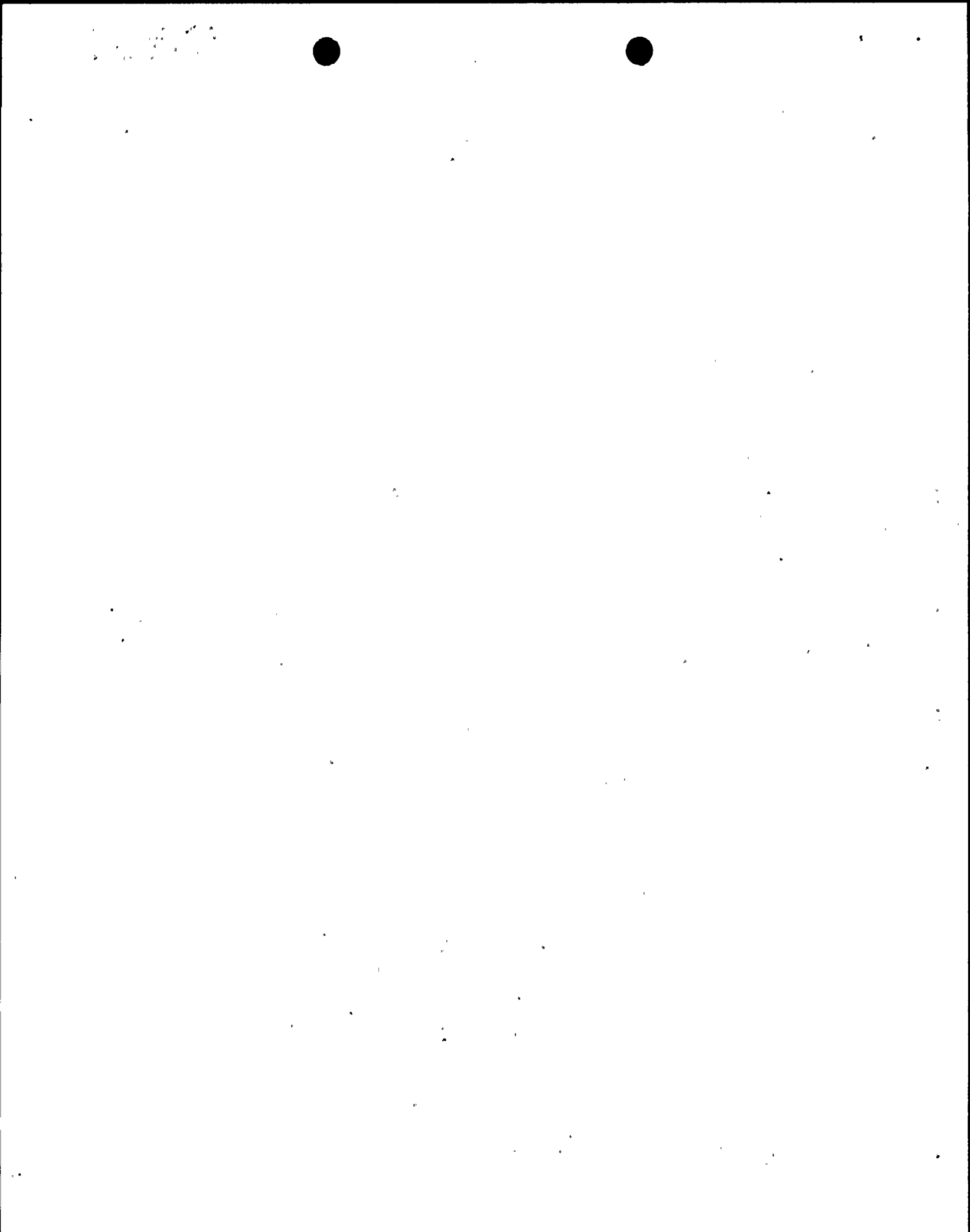
\$167,905,069

<u>1</u>				
(1.07936) ^{19.10} - 1	x	167,905,069	=	
.07936				
.0240478898	x	167,905,069	=	4,037,762
		Annuity	=	<u>\$ 4,038</u>

CAROLINA POWER & LIGHT COMPANY

FERC Basis
Calculation of Annual Revenue
Requirements for Brunswick No. 2
(000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
BALANCE SHEET ACCOUNTS				INCOME STATEMENT ACCOUNTS					INFLATION ADJUSTED CURRENT COST	RESERVE RATIO
YEAR	DEFERRED TAXES-DR	REDUCED OUTSTANDING CAPITAL	D/C RESERVE	COST OF SERVICE		NON COST OF SERVICE				
				REVENUE	ANNUITY	INTEREST	RETURN	INCOME TAXES		
				D/C EXPENSE						
1981	\$ 1,988	\$ 2,050	\$ (4,038)	\$ (4,038)	4,038	\$ -0-	\$ -0-	\$ -0-	\$ 49,420	.0017
1982	4,134	4,262	(8,396)	(4,037)	4,038	320	(209)	(112)	53,373	.1573
1983	6,450	6,650	(13,100)	(4,038)	4,038	666	(434)	(232)	57,643	.2273
1984	8,951	9,227	(18,178)	(4,038)	4,038	1,040	(677)	(363)	62,254	.2926
1985	11,650	12,009	(23,659)	(4,039)	4,038	1,443	(939)	(503)	67,235	.3519
1986	14,563	15,012	(29,575)	(4,038)	4,038	1,878	(1,223)	(655)	72,614	.4073
1987	17,707	18,253	(35,960)	(4,039)	4,038	2,347	(1,528)	(818)	78,423	.4585
1988	21,100	21,752	(42,852)	(4,039)	4,038	2,854	(1,858)	(995)	84,697	.5059
1989	24,763	25,528	(50,291)	(4,039)	4,038	3,401	(2,214)	(1,186)	91,472	.5498
1990	28,717	29,603	(58,320)	(4,038)	4,038	3,991	(2,599)	(1,392)	98,790	.5903
1991	32,984	34,002	(66,986)	(4,038)	4,038	4,628	(3,014)	(1,614)	104,717	.6397
1992	37,590	38,750	(76,340)	(4,040)	4,038	5,316	(3,461)	(1,853)	111,000	.6877
1993	42,561	43,875	(86,436)	(4,038)	4,038	6,058	(3,945)	(2,113)	117,660	.7346
1994	47,927	49,407	(97,334)	(4,040)	4,038	6,860	(4,466)	(2,392)	124,720	.7804
1995	53,719	55,377	(109,096)	(4,038)	4,038	7,724	(5,030)	(2,694)	132,203	.8252
1996	59,970	61,822	(121,792)	(4,040)	4,038	8,658	(5,637)	(3,019)	140,135	.8691
1997	66,718	68,777	(135,495)	(4,040)	4,038	9,665	(6,293)	(3,370)	148,544	.9122
1998	74,001	76,285	(150,286)	(4,041)	4,038	10,753	(7,001)	(3,749)	157,456	.9545
1999	81,862	84,389	(166,251)	(4,040)	4,038	11,927	(7,766)	(4,159)	166,904	.9961
2/06/2000	82,676	85,229	(167,905)	(401)	404	1,250	(816)	(437)	167,905	.1000
TOTAL.				\$ (77,139)	\$ 77,126	\$ 90,779	\$ (59,110)	\$ (31,656)		



CAROLINA POWER & LIGHT COMPANY
 FERC Basis
 Calculation of Ultimate Cash Expenditures
 and Total Capital Recovery for Brunswick No. 1

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Line	Particulars	Rate %	Period Years	Factor	Engineering and Preparation \$	Entombment \$	Surveillance \$	Removal \$	
1	Cost at Mid-1979				3,461,800	5,539,700	39,600/yr.	33,682,800	
2	Actual Inflation - Mid '79 - Mid '80	9.6	1.00	1.096	3,794,133	6,071,511	43,402/yr.	36,916,349	
3	Factor - 1980 - 1990	8.0	10.50	2.243621					
4	1990 - Feb. 7, 2000	6.0	9.08	1.697373					
5	Mid-1980 - Feb. 7, 2000		19.58	3.808262	14,449,053	23,121,905	165,286/yr.	140,587,128	
6	12 Month Delay	6.0	1.00	1.086261	15,695,443				
7	10 Month Preparation	6.0	0.42						
8	12 Month Delay	6.0	1.00	1.159516	26,810,219				
9	10 Month Preparation	6.0	0.83						
10	17 Month Entombment	6.0	0.71						
11	45 Month Delay, Preparation and Entombment	6.0	3.75	1.244220		205,652/yr.			
12	39 Month Delay, Preparation and Entombment	6.0	3.25						
13	30 Year Delay	6.0	30.00	8.029429				1,128,034,365	
14	60 Month Removal	6.0	2.50						
	Fund Required at Feb. 7, 2000				Present Value	Present Value	Present Value	Present Value	Total Present Value
15	Preparation	7.5	1.42	0.902402	14,163,599				\$ 14,163,599
16	Entombment	7.5	2.54	0.832190		22,311,196			22,311,196
17	Removal	7.5	35.75	0.075361				85,070,086	85,070,086
	Surveillance								
	Fund at November 2003								
18	$\left[\frac{(1.06)^{30}}{(1.075)^3 - 1} \right] \times 1.075 = (24.651364) (205,652) = 5,069,602$								
19		7.5	3.75	0.762462			3,865,379		3,865,379
20								Total	\$125,410,260



CAROLINA POWER & LIGHT COMPANY
FERC Basis
Annual Surveillance Cost
for Brunswick No. 1

Year After Entombment		Annual Surveillance Cost
		<u> </u>
		\$
Year	1	205,652
	2	217,991
	3	231,070
	4	244,935
	5	259,631
	6	275,209
	7	291,721
	8	309,224
	9	327,778
	10	347,445
	11	368,291
	12	390,389
	13	413,812
	14	438,641
	15	464,959
	16	492,857
	17	522,428
	18	553,774
	19	587,001
	20	622,221
	21	659,554
	22	699,127
	23	741,075
	24	785,539
	25	832,672
	26	882,632
	27	935,590
	28	991,725
	29	1,051,229
	30	<u>1,114,302</u>
	Total	<u>16,258,474</u>

CAROLINA POWER & LIGHT COMPANY
FERC Basis
Sinking Fund Requirements for Brunswick No. 1

Return = 10.18%

After tax interest (R - TIB) = 7.936%

30-year delay

Recovery period

January 1, 1981 - February 7, 2000 = 19.10 yrs.

Cost at the end of plant life

\$125,410,260

$$\frac{1}{(1.07936)^{19.10} - 1} \times .07936$$

x 125,410,260 =

.0240478898

x 125,410,260 = \$ 3,015,852

Annuity \$ 3,016

CAROLINA POWER & LIGHT COMPANY
 FERC Dues
 Calculation of Annual Revenue
 Requirements for Brunswick No. 1
 (000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
BALANCE SHEET ACCOUNTS				INCOME STATEMENT ACCOUNTS					INFLATION ADJUSTED CURRENT COST	RESERVE RATIO
YEAR	DEFERRED TAXES-DR	REDUCED OUTSTANDING CAPITAL	D/C RESERVE	COST OF SERVICE		NON COST OF SERVICE		INCOME TAXES		
				REVENUE	AMORTY	INTEREST	RETURN			
				D/C EXPENSE						
1981	\$ 1,485	\$ 1,531	\$ 3,016	\$(3,016)	\$ 3,016	\$ -0-	\$ -0-	\$ -0-	36,912	.0817
1982	3,088	3,183	6,271	(3,015)	3,016	239	(156)	(84)	39,865	.1573
1983	4,818	4,967	9,785	(3,016)	3,016	498	(324)	(174)	43,054	.2273
1984	6,686	6,892	13,578	(3,016)	3,016	777	(506)	(271)	46,498	.2920
1985	8,702	8,970	17,672	(3,016)	3,016	1,078	(702)	(376)	50,218	.3519
1986	10,877	11,213	22,090	(3,016)	3,016	1,402	(913)	(489)	54,236	.4073
1987	13,225	13,634	26,859	(3,017)	3,016	1,753	(1,141)	(611)	58,574	.4585
1988	15,760	16,247	32,007	(3,017)	3,016	2,132	(1,388)	(743)	63,260	.5060
1989	18,496	19,067	37,563	(3,016)	3,016	2,540	(1,654)	(886)	68,321	.5498
1990	21,449	22,111	43,560	(3,017)	3,016	2,981	(1,941)	(1,039)	73,787	.5903
1991	24,636	25,397	50,033	(3,017)	3,016	3,457	(2,251)	(1,205)	78,214	.6397
1992	28,077	28,943	57,020	(3,018)	3,016	3,971	(2,585)	(1,384)	82,907	.6878
1993	31,790	32,771	64,561	(3,017)	3,016	4,525	(2,946)	(1,578)	87,882	.7346
1994	35,797	36,903	72,700	(3,016)	3,016	5,123	(3,336)	(1,787)	93,155	.7804
1995	40,123	41,362	81,485	(3,016)	3,016	5,769	(3,757)	(2,012)	98,744	.8258
1996	44,793	46,175	90,968	(3,017)	3,016	6,467	(4,211)	(2,255)	104,669	.8658
1997	49,832	51,371	101,203	(3,016)	3,016	7,219	(4,701)	(2,518)	110,949	.9122
1998	55,272	56,978	112,250	(3,016)	3,016	8,031	(5,230)	(2,801)	117,606	.9545
1999	61,143	63,031	124,174	(3,018)	3,016	8,908	(5,800)	(3,106)	124,662	.9961
2/07/2000	61,752	63,658	125,410	(301)	302	934	(609)	(326)	125,410	1.0000
TOTAL.				<u>\$(57,614)</u>	<u>\$57,606</u>	<u>\$67,804</u>	<u>\$(44,151)</u>	<u>\$(23,645)</u>		

Attachment III

Carolina Power & Light Company

NRC REQUEST FOR ADDITIONAL FINANCIAL INFORMATION

SUBJECT: Five-Year Operating Costs

Pursuant to the Project Agreements between CP&L and Power Agency, Power Agency will pay its proportionate share of all costs associated with the operation, maintenance and fueling of the Joint Units. Section 9.1 of the Operating and Fuel Agreement (submitted as Exhibit E to this Application) requires Power Agency to advance to CP&L by the first business day of each month Power Agency's share of the costs expected to be incurred by CP&L in that month for operation and maintenance of the Joint Facilities. Similarly, Section 9.2 of the Operating and Fuel Agreement requires Power Agency to advance to CP&L by the first business day of each month Power Agency's share of the costs expected to be incurred in that month for Nuclear and Fossil Fuel Material and Nuclear and Fossil Fuel Services for the Joint Facilities.

Power Agency will include in its Monthly Project Power Costs to be charged its Participants pursuant to the Initial Project Power Sales Agreements (the form of which has been submitted as Exhibit B.1 to this Application) charges sufficient to enable Power Agency to meet its commitment to bear its share of the costs of operation, maintenance and fueling of the Joint Units. Each Participant agrees in the Initial Project Power Sales Agreement to pay its Participant's share of such Monthly Project Power Costs. Such costs are defined in Section 1(t) of the Initial Project Power Sales Agreement as including all costs to Power Agency under the Operating and Fuel Agreement resulting from the operation, maintenance and fueling of the Joint Facilities. The Initial Project Power Sales Agreement imposes an unconditional "take or pay" commitment, thereby obligating each Participant to pay its Participant's Share of Monthly Project Power Costs whether or not the Joint Facilities are completed, operable, operating, or retired or decommissioned and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of the Joint Facilities, or the power and energy contracted for, in whole or in part, for any reason whatsoever.

Attachment IV

Carolina Power & Light Company

NRC REQUEST FOR ADDITIONAL FINANCIAL INFORMATION

Brunswick Steam Electric Plant
Estimated Operating Costs
1981-1985

<u>Year</u>	<u>Estimated Annual Operating Cost \$ (000)</u>
1981	145,893
1982	217,259
1983	179,648
1984	150,207
1985	155,371