



PO Box 1551
411 Fayetteville Street Mall
Raleigh NC 27602

Serial: PE&RAS-06-048
August 2, 2006

United States Nuclear Regulatory Commission
ATTENTION: Document Control Desk
Washington, DC 20555-0001

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

NOTIFICATION OF CHANGE IN DECOMMISSIONING FUNDING METHOD

- REFERENCES: 1) Letter from James W. Holt to U. S. Nuclear Regulatory Commission, "Biennial Decommissioning Funding Status Report and Notification of Change in Decommissioning Funding Method," dated March 28, 2003, PE&RAS-03-017 (ML030970280)
- 2) Letter from Chris Burton to U. S. Nuclear Regulatory Commission, "Biennial Decommissioning Funding Status Report," dated March 31, 2005, PE&RAS-05-015 (ML050970042)

Ladies and Gentlemen:

Pursuant to the guidance in Section 2.1.6 of Regulatory Guide 1.159, "Assuring the Availability of Funds for Decommissioning Nuclear Reactors," this letter serves notice that Carolina Power & Light Company, now doing business as Progress Energy Carolinas, Inc. (PEC), has decided to change the decommissioning funding methods for the Brunswick Steam Electric Plant, Unit Nos. 1 and 2.

The current decommissioning funding method for each unit is based on the combination of an external sinking fund, pursuant to 10 CFR 50.75(e)(1)(ii), and a parent company guarantee, pursuant to 10 CFR 50.75(e)(1)(iii)(B). These methods were previously established by referenced letter PE&RAS-03-017 and updated in referenced letter PE&RAS-05-015.

With the receipt of the Renewed Facility Operating Licenses Nos. DPR-71 and DPR-62 which expire on September 8, 2036 and December 27, 2034, respectively, Carolina Power & Light Company, now doing business as Progress Energy Carolinas, Inc., has determined that the external sinking funds provide adequate assurance of decommissioning funding without use of the parent company guarantees. Therefore, Carolina Power & Light Company, now doing business as Progress Energy Carolinas, Inc., plans to terminate the parent company guarantees effective 30 working days from the date of this letter.

This document contains no new regulatory commitment.

Please contact me at (919) 546-6901 if you need additional information.

Sincerely,

Chris Burton
Manager - Performance
Evaluation & Regulatory Affairs

A001

HAS

c: W. D. Travers, Regional Administrator – Region II
J. E. Dyer, Director – Nuclear Reactor Regulation
USNRC Resident Inspector – BSEP, Unit Nos. 1 and 2
B. L. Mozafari, NRR Project Manager – BSEP, Unit Nos. 1 and 2

J. A. Sanford – North Carolina Utilities Commission
R. Vance – North Carolina Utilities Commission
S. Watson – North Carolina Utilities Commission
B. O. Hall – North Carolina Department of Environment and Natural Resources