



Nuclear Regulatory Commission  
Exhibit # - GLE016-00-BD01  
Docket # - 07007016  
Identified : 7/11/2012

Admitted: 7/11/2012  
Rejected:

Withdrawn:  
Stricken:

EXHIBIT GLE-016



**HITACHI**

**GE Hitachi Nuclear Energy**

**Tammy G. Orr**  
President and CEO  
Global Laser Enrichment

P.O. Box 780  
MC J-20  
Wilmington, NC 28402  
USA

T 910 819 5752  
F 910 362 5752  
TammyG.Orr@ge.com

February 20, 2009

Mr. John Jackson, Director CIG Accounts  
Carolina Power & Light Company  
d/b/a Progress Energy Carolinas, Inc.  
P.O. Box 1551  
Raleigh, N. C. 27602

RE: Global Laser Enrichment LLC ("GLE") new 115kV line (the "Project").

Dear Mr. Jackson:

As you are aware, GLE is planning a new facility at the GE Castle Hayne site. The facility is expected to be operational in the third quarter of 2012. GLE expects that the facility will draw additional electricity, with the additional load estimated to be 120,000 kW with an operating voltage of 115,000 volts, 3 phase, 3 wire. Meeting this expected additional demand for electricity will require an investment from Progress Energy Carolinas, Inc. ("Progress"). Representatives from our companies have been discussing the Project, and the following is GLE's understanding of how Progress agrees to proceed; "Planning and Preliminary Design" is the basis for this letter of intent.

**Planning and Preliminary Design**

Beginning in February 2009, Progress will begin planning and-preliminary design of upgrades to the existing 115kV line to serve the proposed additional 120,000kW from Progress' Sutton plant to the GE Castle Hayne site. This phase of the work, which will last about one year, will include surveying, environmental investigation, preliminary engineering, project planning and scheduling, and the cost estimating for detail engineering, material purchases and construction. Progress intends to make modifications to the existing 115kV line under energized conditions, minimizing impact to existing operations.

Progress has estimated its cost for this phase of the work at \$100,000. The actual costs for the Planning and Preliminary Design phase could exceed \$100,000 depending on market conditions for services and products required to complete the siting and environmental studies. It is Progress' intent not to exceed \$100,000 for this phase of the work; however, if Progress' costs will exceed \$100,000 prior to October 1, 2009, then Progress will in writing request from GLE reasonable assurance of GLE's intent to continue the Project. GLE shall not be under any obligation to reimburse Progress for any costs incurred during the Planning and Preliminary Design phase in excess of \$100,000 should GLE decide to cancel the Project during the Planning and Preliminary Design phase unless an additional amount is specifically agreed in writing in response to a request from Progress.

On completion of the Planning and Preliminary Design activities, on or about February 1, 2010, Progress will notify GLE in writing of completion and provide an overall project cost estimate (accurate to within +/- 20%) and project schedule for completion of the project. This cost estimate and schedule will include scope of work activities associated with design and engineering, final engineering, any right of way purchase or clearing, line construction and new point delivery at the GE site.

All reporting will be in Progress Energy standard financial and work management system formats.

Following delivery and review of the Planning and Preliminary Design cost estimate and schedule, representatives from Progress and GLE will meet to discuss procedures and a framework to proceed to

February 20, 2009

next steps in the Project. Among other things, such discussions will address the parties' responsibilities during the next phase or phases for the Project, including timelines and maximum costs to be incurred during such phases. Once finalized such discussions and any agreements will be reflected in writing and may be in the form of a letter agreement, a memorandum of understanding, or other document as the parties may agree.

It is GLE and Progress' anticipation that the full cost of the Project, which is not known at this time but which may total several million dollars, will be recovered by Progress over time through the increased electricity usage by GLE. GLE also understands that this project is predicated on 120mW of new load.

Based on the estimated 120mW of new load, with a minimum actual load addition of 40mW, Progress agrees that it does not plan to charge GLE for any costs incurred by Progress in developing the Project, except in the event that GLE cancels this project.

In such case, GLE will promptly notify Progress in writing of the decision not to proceed with the Project and Progress will prepare a detailed accounting of its costs actually and reasonably incurred during the phase in which GLE decided to cancel the Project. GLE will pay Progress within thirty (30) days for all such costs actually and reasonably incurred within the approved phase of the project and to the maximum agreed amount.

To the extent there will be any community involvement/public notification, Progress agrees that it will coordinate public communication with GE Hitachi through the communications contact person Christa Miller.

Progress will provide GLE with monthly progress reports, whether in face-to-face meetings or by email as agreed, which will include updated Progress cost expenditures.

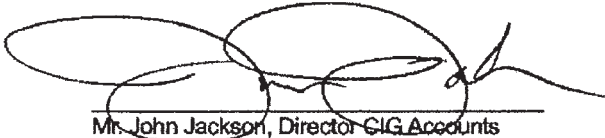
If the foregoing reflects Progress' agreement to proceed with the Planning and Preliminary Design phase of the Project, please sign below and return a copy of the letter to me.

Sincerely yours,



Tammy G. Orr  
President and CEO Global Laser Enrichment

Agreed on behalf of Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc., this 24 day of February, 2009.



Mr. John Jackson, Director GIG Accounts