

**Levy Nuclear Plant Units 1 and 2
COL Application
Part 1, General and Financial Information**

1.0 GENERAL AND FINANCIAL INFORMATION

1.1 GENERAL INFORMATION

Pursuant to Sections 103 and 185(b) of the Atomic Energy Act, and 10 CFR Part 52, Subpart C, Florida Power Corporation doing business as Progress Energy Florida, Inc., hereby applies to the U.S. Nuclear Regulatory Commission (NRC) for a combined license (COL) to construct and operate Levy Nuclear Plant, Units 1 and 2 (LNP 1 and 2). LNP 1 and 2 is a two-unit Westinghouse AP1000 standard design for a pressurized water reactor. Progress Energy Florida, Inc., also applies for such other licenses as would be required to receive, possess and use source, special nuclear and byproduct material in connection with the operation of LNP 1 and 2.

On July 2, 2012, a merger occurred between Duke Energy Corporation and Progress Energy, Inc., the holding company of Progress Energy Florida, Inc. Through this merger, Duke Energy Corporation became the holding company of Progress Energy, Inc. Progress Energy, Inc. continues to be the holding company of Progress Energy Florida, Inc. Following this merger, Duke Energy Corporation, as the ultimate holding company of Progress Energy Florida, Inc., is now the largest electric power holding company in the United States with more than \$100 billion in total assets. Duke Energy Corporation is duly organized and existing under the laws of the State of Delaware. The company's general office, and principal place of business, is located in Charlotte, North Carolina, and through its subsidiaries, also transacts business on a regular basis in South Carolina, Kentucky, Ohio, Florida, and Indiana. It is an investor-owned corporation focused on electric power and gas distribution operations, and other energy services in both North and South America. Through its regulated electric and gas utility operating companies, Duke Energy Carolinas, Duke Energy Ohio, Duke Energy Indiana, Duke Energy Kentucky, Progress Energy Carolinas and Progress Energy Florida, Duke Energy Corporation operates more than 58,000 MW of regulated electric generation and 8,100 MW of unregulated electric generation in the United States. A diverse fuel mix of nuclear, coal-fired, hydro-electric and combustion-turbine generation allows Duke Energy Corporation to provide this generating capacity to more than 7 million electric and 0.5 million gas customers located in the combined service territories of these operating companies. Duke Energy Corporation is a Fortune 250 company, and its shares are publicly held and listed for trading on the New York Stock Exchange under the symbol DUK.

In addition to this Combined License Application (COLA) for LNP 1 and 2, Progress Energy Carolinas has submitted a COLA in 2008 to construct and operate two AP1000 nuclear units at the Shearon Harris Nuclear Power Plant site near Raleigh, North Carolina and Duke Energy Carolinas submitted a COLA in 2007 to construct and operate two AP1000 nuclear units at the Lee Nuclear site in Cherokee County, South Carolina.

This application and supporting environmental report are intended to provide sufficient information for the NRC to complete its technical and environmental reviews and allow the NRC to make the finding required by 10 CFR 52.97 in support of the issuance of a COL for LNP 1 and 2. The following is the application filing and content information required by 10 CFR 50.33.

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1.1.1 NAME OF APPLICANT

Progress Energy Florida, Inc.

1.1.2 ADDRESS OF APPLICANT

Progress Energy Florida, Inc.
100 Central Avenue
St. Petersburg, FL 33701-3324

1.1.3 DESCRIPTION OF BUSINESS OCCUPATION OF APPLICANT

Progress Energy, Inc. is a holding company that includes regulated subsidiaries, Progress Energy Florida, Inc. (PEF) and Progress Energy Carolinas, Inc. (PEC). Progress Energy, Inc. is now a wholly-owned subsidiary of Duke Energy Corporation. PEF is primarily engaged in the generation, transmission, distribution, and sale of electricity in portions of central and north Florida. PEF serves approximately 1.7 million customers in a territory encompassing over 20,000 square miles, including the cities of St. Petersburg, Clearwater, and areas surrounding Orlando.

PEF is primarily engaged in the generation, distribution, and sale of electricity in portions of Florida. PEF owns and operates the Crystal River plant.

- Crystal River - The single-unit, 838-MW Crystal River Nuclear Plant is located near Crystal River, FL, on a site that also includes four coal-fired generating units that generate 2,313 MW.

Progress Energy, Inc. is subject to regulation by the Federal Energy Regulatory Commission (FERC) under the regulatory provisions of the Public Utility Holding Company Act of 2005 (PUHCA 2005). PEC and PEF are regulated public utilities. PEC is subject to the regulatory provisions of the North Carolina Utilities Commission (NCUC), the Public Service Commission of South Carolina (SCPSC), the NRC and the FERC. PEF is subject to the regulatory provisions of the Florida Public Service Commission (FPSC), the NRC and the FERC.

1.1.4 ORGANIZATION AND MANAGEMENT OF APPLICANT

PEF is a corporation organized and existing under the laws of the State of Florida. PEF is a wholly-owned subsidiary of Progress Energy, Inc., which is a wholly-owned subsidiary of Duke Energy Corporation. The shares of common stock of Duke Energy Corporation are publicly traded and widely held. The directors and officers of Duke Energy Corporation are U. S. citizens. Neither Duke Energy Corporation, Progress Energy, Inc., nor PEF are owned, controlled, or dominated by any alien, foreign corporation, or foreign government. PEF makes this application on its own behalf and is not acting as an agent or representative of any other person.

The names of Duke Energy Corporation directors and principal officers are listed below. The business address of the Duke Energy Corporation directors and principal officers is Duke Energy Corporation, 526 South Church Street, Charlotte, NC 28202. All persons listed are U. S. citizens.

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Director

John D. Baker II

William Barnet III

G. Alexander Bernhardt, Sr.

Michael G. Browning

Harris. E DeLoach, Jr.

Daniel R. DiMicco

John H. Forsgren

Ann Maynard Gray

James H. Hance, Jr.

James B. Hyler, Jr.

E. Marie McKee

E. James Reinsch

James T. Rhodes

James E. Rogers

Carlos A. Saladrigas

Philip R. Sharp

Theresa M. Stone

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Principal Officers¹

James E. Rogers
President and Chief Executive Officer

Lynn J. Good
Executive Vice President and Chief Financial
Officer

Dhiaa M. Jamil
Executive Vice President and Chief Nuclear Officer

Jeffrey (Jeff) J. Lyash
Executive Vice President – Energy Supply

Marc E. Manly
Executive Vice President and Chief Legal Counsel

B. Keith Trent
Executive Vice President
Regulated Utilities

Bill Tyndall
Senior Vice President and Special Policy Advisor

Jennifer L. Weber
Executive Vice President and Chief Human
Resources

Lloyd M. Yates
Executive Vice President Customer Operations

Steven K. Young
Chief Accounting Officer and Controller

1.1.5 CLASS AND PERIOD OF LICENSE SOUGHT AND AUTHORIZED USES

PEF requests issuance of a Class 103 Facility Operating License for a period of no less than 40 years beyond the Commission's determination in 10 CFR 52.103(g) or allowing operation during an interim period under 52.103(c). LNP 1 and 2 will be used to produce electricity for sale.

¹ Due to the recent merger, several principal officer positions are currently vacant. Efforts are underway to name individuals to these roles.

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In addition, this application is for the necessary licenses issued under 10 CFR 30, 10 CFR 40, and 10 CFR 70 to receive, possess, and use byproduct, source and special nuclear material. Special nuclear material shall be in the form of reactor fuel and spent fuel, in accordance with limitations for storage and amounts required for reactor operation, as described in Part 2 of this application. Byproduct, source, and special nuclear material shall be in the form of sealed neutron sources for reactor startup and sealed sources for reactor instrumentation, radiation monitoring equipment, calibration, and fission detectors in amounts as required. In preparation for the initial fuel loading, limitations on byproduct material and Part 40 specifically licensed source material will be as described in this application. Following the 52.103(g) finding, byproduct, source, and special nuclear material in amounts as required, without restriction to chemical or physical form, shall be for sample analysis, instrument and equipment calibration, or associated with radioactive apparatus or components.

1.1.6 ALTERATION SCHEDULE

PEF does not propose to alter any production or utilization facility in connection with this application.

1.1.7 REGULATORY AGENCIES AND LOCAL PUBLICATIONS

The Federal Energy Regulatory Commission and the FPSC are the principal regulators of PEF's electric operations in Florida.

Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Area and local news publications and addresses are provided below.

Citrus County Chronicle
1624 N. Meadowcrest Blvd
Crystal River, FL 34429

Ocala Star Banner
2121 S. W. 19th Avenue Road
Ocala, FL 34474

Chiefland Citizen
PO Box 980
Chiefland, FL 32644

Nature Coast Newscaster
PO Box 64
Yankeetown, FL 34498

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1.1.8 RADIOLOGICAL EMERGENCY RESPONSE PLANS

Progress Energy's approach for development of the Levy Nuclear Plant Units 1 and 2 Emergency Plan submitted as part of the COL application (COLA) involved development of an emergency plan based on current NRC and Federal Emergency Management Agency (FEMA) requirements and regulatory guidance into a document that addresses emergency preparedness for a new 2-unit site.

Emergency Preparedness Program elements described in the Levy Nuclear Plant Units 1 and 2 Emergency Plan are based, in part, on the elements currently in place at the Crystal River 3 (CR3) Nuclear Plant and described in the CR3 Radiological Emergency Response Plan, which meets all current NRC requirements and FEMA guidance.

Elements of the current CR3 Emergency Plan and the capability of the on-site and off-site emergency organizations to respond to, and recover from a classified emergency have been successfully demonstrated in actual events, periodic drills, and NRC/FEMA evaluated exercises in support of CR3. NRC Emergency Plan programmatic inspections and periodic independent 10 CFR 50.54 (t) audits indicate that the current CR3 Emergency Plan and Emergency Preparedness Program is maintained and updated appropriately in accordance with NRC requirements.

The Levy Nuclear Plant Units 1 and 2 Emergency Plan describes similar Emergency Preparedness Program elements and processes as the CR3 Radiological Emergency Response Plan; and both plans provide "reasonable assurance that adequate protective measures can and will be taken in the event of a radiological emergency".

The COLA emergency plan meets all current NRC requirements and regulatory guidance and was developed as a comprehensive "complete and integrated" emergency plan, in accordance with Regulatory Guide 1.206, Section C.I.13.3.1. The Levy Nuclear Plant Units 1 and 2 Emergency Plan, in conjunction with State and county plans, assures that adequate protective measures can be taken to protect on-site personnel and the public in the event of an emergency at the site.

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2.0 FINANCIAL QUALIFICATIONS

2.1 CONSTRUCTION COSTS

***Proprietary Information – Withheld under 10 CFR 2.390 (a)(4)
(See COL Application Part 9.1)***

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*Proprietary Information – Withheld under 10 CFR 2.390 (a)(4)
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2.2 OPERATING COSTS

Progress Energy Florida, Inc. (PEF) is a wholly-owned subsidiary of Progress Energy, Inc., which is in turn a wholly-owned subsidiary of Duke Energy Corporation. Progress Energy Florida, Inc. is an electric utility as defined in 10 CFR 50.2. PEF generates and distributes electricity and recovers the cost of this electricity through cost-of-service based rates established by the FPSC, and FERC. Thus, as addressed in 10 CFR 50.33(f), estimates of operating costs for the first 5 years of operation are not required to be submitted.

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