

ENCLOSURE 2

SAFETY EVALUATION

DUKE ENERGY FLORIDA, INC.

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

DOCKET NO. 50-302

SAFETY EVALUATION BY
THE OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS
RELATED TO THE NAME CHANGE FROM DUKE ENERGY FLORIDA, INC.
TO DUKE ENERGY FLORIDA, LLC
DOCKET NO. 50-302
FACILITY OPERATING LICENSE NO. DPR-72

1.0 INTRODUCTION

By application dated September 22, 2015 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML15265A590), Duke Energy Florida, Inc. (DEF), supplemented an application dated July 28, 2015 (ADAMS Accession No. ML15216A123), requesting U.S. Nuclear Regulatory Commission (NRC) consent to the direct transfer of ownership interest to DEF of 1.6994% combined ownership share in Crystal River Unit 3 (CR-3), held by Seminole Electric Cooperative, Inc. (Seminole Electric Cooperative). Included with that supplement was a request for NRC approval of a name change from Duke Energy Florida, Inc. to Duke Energy Florida, LLC. The Order approving the license transfer was issued on August 10, 2016. This safety evaluation addresses the licensee's request for the administrative name change of Duke Energy Florida, Inc. to Duke Energy Florida, LLC.

2.0 BACKGROUND

CR-3 has been shutdown since September 26, 2009, and the final removal of fuel from its reactor vessel was completed on May 28, 2011. On February 5, 2013, DEF announced that CR-3 would be retired, and notified the NRC on February 20, 2013, of the permanent cessation of power operations and that CR-3 had removed all fuel from the reactor. Pursuant to 10 CFR 50.82(a)(2), the 10 CFR Part 50 license for CR-3 no longer authorizes operation of the reactor or emplacement or retention of fuel in the reactor vessel. CR-3 is authorized to possess and store irradiated nuclear fuel.

3.0 TECHNICAL EVALUATION

The applicants have requested approval of a proposed amendment to the operating license for CR-3 to implement the administrative name change of the licensee from Duke Energy Florida, Inc. to Duke Energy Florida, LLC. No physical or operating changes to the facility are requested. On August 1, 2015, Duke Energy Florida, Inc. converted its form of business organization from a Florida corporation to a Florida limited liability company. Upon the conversion, Duke Energy Florida, Inc. changed its name to Duke Energy Florida, LLC. In connection with the conversion, the former Articles of Incorporation and By-Laws were

terminated and Duke Energy Florida, LLC adopted Articles of Conversion, Articles of Organization, a Plan of Conversion, and a Limited Liability Company Operating Agreement. DEF requested NRC approval of proposed changes to the CR3 facility operating license revising the corporate name of the licensee from Duke Energy Florida, Inc. to Duke Energy Florida, LLC. Duke Energy Florida, LLC will continue to be an electric utility as defined by NRC regulations, and regulated by the Federal Energy Regulatory Commission and the Florida Public Service Commission. Duke Energy Florida, LLC will remain subject to cost-of-service ratemaking. Duke Energy Florida, LLC will also continue to be responsible for the safe decommissioning of the nuclear unit. No physical changes to the unit will be made as a result of the licensee name conversion. Nor will any changes to unit management or operating procedures be made as a result of the licensee name conversion. The liability insurance coverage policies and certificates currently maintained for the CR-3 facility by Duke Energy Florida, Inc. remain in effect under the new name of Duke Energy Florida, LLC. This proposed change does not alter the licensee's authorizations or responsibilities under license. The name change involves no change to either the management organization or technical personnel currently responsible for the maintenance and decommissioning of CR-3. The name change will have no impact on the ability of DEF personnel to continue to safely maintain and decommission CR-3. The license also proposed some administrative and formatting changes to the Technical Specifications. The amendment involves no safety questions and is administrative in nature. Accordingly, the proposed amendment is acceptable.

4.0 ENVIRONMENTAL CONSIDERATION

The amendments includes changes to the licensee's name and editorial, corrective and other minor revisions to the license. NRC staff has determined that the amendment involves no significant increase in the amounts, and no significant change in the types, of any effluents that may be released offsite, and that there is no significant increase in individual or cumulative occupational radiation exposure. The Commission has previously issued a proposed finding that the amendment involves no significant hazards consideration (81 FR 54614; August 16, 2016), and there has been no public comment on such finding. Accordingly, the amendment meets the eligibility criteria for categorical exclusions set forth in 10 CFR 51.22(c)(10)(iii) or 10 CFR 51.22(c)(10)(v). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the issuance of this amendment.

5.0 STATE CONSULTATION

On June 7, 2016, the State of Florida was notified of the proposed name change from Duke Energy Florida, Inc. to Duke Energy Florida, LLC. The State had no comments.

Regarding the 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.

6.0 CONCLUSION

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.

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