

SHAW, PITTMAN, POTTS & TROWBRIDGE

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

85800M STREET, N. W.
WASHINGTON, D. C. 20036

(202) 822-1000

TELECOPIER

(202) 822-1099 & 822-1199

RAPIDFAX 100

(202) 822-1072

TELEX

89-2693 (SHAWLAW WSH)

CABLE SHAWLAW

VIRGINIA OFFICE

1501 FARM CREDIT DRIVE

MCLEAN, VIRGINIA 22102

(703) 790-7900

JOHN F. DEALY*

RICHARD S. BEATTY

ROBERT E. CONN

COUNSEL

KENNETH J. HAUTMAN
DAVID LAWRENCE MILLER
FREDERICK L. KLEIN
STEVEN P. PITLER
RICHARD J. PARDINO
ELLEN A. FRIEDEL
MARIE N. DOLAND*
THOMAS C. HILL
L. DUANE CHEEK
MICHAEL K. MADDOEN
RALPH A. TAYLOR JR.
HANNAH E. M. LIEBERMAN
JUDITH A. SANDLER
ANDREW D. ELLIS
RICHARD A. SAMP
THOMAS E. CROCKER, JR.
PETER J. FERRARA
HELEN TORELLI
MARTHA BOONE ROWAN*
KENNETH R. MILLER
JOHN H. MORE
PAUL S. RILECKI
WENDELIN A. WHITE
STANLEY M. BARG
LESLIE K. SMITH
TRAVIS T. BROWN, JR.
STEPHEN B. HEIMANN
PAMELA W. ANDERSON
ALEXANDER D. TOMASZCZUK
JEFFREY J. A. GIBBS
LAURENCE W. COHEN
DEREK W. LINDEN

SYLVIA M. LOTRECK
JEFFREY R. SNYDER*
CARYL ANNE LANDER
PHILIP D. PORTER
MICHAEL A. SWIGER
ELLEN SHERIFF
ANITA J. ZINKELSTEIN
DAVID R. SAHR
C. BOWDOIN TRAIN
JEFFREY W. KAMPELMAN
KENNETH A. GALLO
DAVID R. LEWIS
A. PATRICK LEIGHTON III
JEFFREY G. BERMAN
KEVIN FLYNN
E. SUE SPRAGUE
KENNETH D. AUERBACH
ALAN D. WASSERMAN
RICHARD K. A. BECKER*
WILBERT WASHINGTON II
DOROTHEA W. DICKERMAN
JONATHAN T. CAIN
DOUGLAS L. HILLEBOE
RICHARD I. ANSACHER*
JOYCE L. OLIVER
THOMAS J. CATLIOTA
EVANS HUBER
JUDY WEISBURGH
ETHAN J. FRIEDMAN
PAUL M. BANGSER*
ROSE ANN SULLIVAN*
BARBARA B. HANNIGAN*
JOSEPH E. KENDALL
ROBERT M. D. GIOVANNI
JOHN N. NASSIRAS III*
DIANE S. SHAPIRO*

* NOT ADMITTED IN D.C.
* ADMITTED IN VIRGINIA

RAMSAY D. POTTS, P.C.
STUART L. PITTMAN, P.C.
GEORGE F. TROWBRIDGE, P.C.
STEPHEN D. POTTS, P.C.
GERALD CHARNOFF, P.C.
PHILIP D. BOSTWICK, P.C.
R. TIMOTHY HANLON, P.C.
GEORGE M. ROGERS, JR., P.C.
FRED A. LITTLE, P.C.
JOHN S. RHINELANDER, P.C.
BRUCE W. CHURCHILL, P.C.
LESLIE A. NICHOLSON, JR., P.C.
JAY E. SILBERG, P.C.
BARBARA M. ROSSOTTI, P.C.
GEORGE V. ALLEN, JR., P.C.*
FRED DRASNER, P.C.
R. KENLY WEBSTER, P.C.
NATHANIEL P. BREED, JR., P.C.
MARK AUGENBLICK, P.C.
ERNEST L. BLAKE, JR., P.C.
CARLETON S. JONES, P.C.
THOMAS A. BAXTER, P.C.
SHELDON J. WEISER, P.C.
J. PATRICK HICKEY, P.C.
J. THOMAS LENHART, P.C.
STEVEN L. MELTZER, P.C.
DEAN D. AULICK, P.C.
JOHN ENGEL, P.C.
C. THOMAS HICKS III, P.C.*
ROBERT E. COHN
CHARLES B. TEMKIN, P.C.
STEPHEN B. HUTTNER, P.C.
WINTHROP N. BROWN, P.C.
JAMES B. HAMLIN, P.C.

RANDAL B. KELL, P.C.
B. SCOTT CUSTER, JR.
ROBERT E. ZAHLER, P.C.
ROBERT B. ROBBINS, P.C.
STEVEN M. LUCAS, P.C.
DAVID M. RUBENSTEIN, P.C.
MATIAS F. TRAVIESO DIAZ, P.C.
VICTORIA J. PERKINS, P.C.
JOHN H. ONEILL, JR., P.C.
JAY A. EPSTEIN, P.C.
JEFFERY L. YABLON, P.C.
JACK MCKAY, P.C.
HARRY H. GLASSPIEGEL
THOMAS H. MCCORMICK
WILLIAM P. BARR
ELISABETH M. PENDLETON
CHARLES H. MONTANGE
JEAN M. GALLOWAY
JOHN L. CARR, JR.
PHILIP J. HARVEY
ROBERT M. GORDON
BONNIE S. GOTTLIEB
HOWARD H. SHAFFERMAN
DEBORAH B. BAUSER
SCOTT A. ANENBERG
CAMBELL KILLER
PAUL M. THOMAS
JOHN M. BRYSON, II*
GEORGE F. ALBRIGHT, JR.*
DAVID J. CYRAMON
JACK A. HORN
LOUISE A. MATHEWS
SETH M. HOOGLASIAN
SHEILA MCC. HARVEY
DELISSA A. RIDGWAY

WRITER'S DIRECT DIAL NUMBER

October 16, 1985 (202) 822-1090

James L. Kelley, Esquire
Chairman
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. Glenn O. Bright
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dr. James H. Carpenter
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

In the Matter of
Carolina Power & Light Company and North
Carolina Eastern Municipal Power Agency
(Shearon Harris Nuclear Power Plant)
Docket No. 50-400 *OL*

Administrative Judges Kelley, Bright and Carpenter:

Enclosed for your information is a copy of Form 8-K, dated September 24, 1985, which has been filed with the Securities and Exchange Commission by Carolina Power & Light Company. Paragraph 1 under Item 5 (Other Events) discusses the schedule for completion of the Shearon Harris Nuclear Power Plant.

Respectfully submitted,

Thomas A. Baxter

Thomas A. Baxter
Counsel for Applicants

8510180308 851016
PDR ADOCK 05000400
G PDR

TAB:jah
Enclosure
cc: Service List

DS03

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of)	
)	
CAROLINA POWER & LIGHT COMPANY)	Docket No. 50-400 OL
and NORTH CAROLINA EASTERN)	
MUNICIPAL POWER AGENCY)	
)	
(Shearon Harris Nuclear Power)	
Plant))	

SERVICE LIST

Thomas S. Moore, Esquire
Chairman
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dr. Reginald L. Gotchy
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. Howard A. Wilber
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

James L. Kelley, Esquire
Chairman
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. Glenn O. Bright
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dr. James H. Carpenter
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Charles A. Barth, Esquire
Janice E. Moore, Esquire
Office of Executive Legal Director
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Docketing and Service Section
Office of the Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. Daniel F. Read, President
CHANGE
P.O. Box 2151
Raleigh, North Carolina 27602

John D. Runkle, Esquire
Conservation Council of
North Carolina
307 Granville Road
Chapel Hill, North Carolina 27514

M. Travis Payne, Esquire
Edelstein and Payne
P.O. Box 12607
Raleigh, North Carolina 27605

Dr. Richard D. Wilson
729 Hunter Street
Apex, North Carolina 27502

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of)	
)	
CAROLINA POWER & LIGHT COMPANY)	Docket No. 30-400 OL
and NORTH CAROLINA EASTERN)	
MUNICIPAL POWER AGENCY)	
)	
(Shearon Harris Nuclear Power)	
Plant))	

SERVICE LIST

Thomas S. Moore, Esquire
Chairman
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dr. Reginald L. Gotchy
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. Howard A. Wilber
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

James L. Kelley, Esquire
Chairman
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. Glenn O. Bright
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dr. James H. Carpenter
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Charles A. Barth, Esquire
Janice E. Moore, Esquire
Office of Executive Legal Director
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Docketing and Service Section
Office of the Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. Daniel F. Read, President
CHANGE
P.O. Box 2151
Raleigh, North Carolina 27602

John D. Runkle, Esquire
Conservation Council of
North Carolina
307 Granville Road
Chapel Hill, North Carolina 27514

M. Travis Payne, Esquire
Edelstein and Payne
P.O. Box 12607
Raleigh, North Carolina 27605

Dr. Richard D. Wilson
729 Hunter Street
Apex, North Carolina 27502

Mr. Wells Eddleman
806 Parker Street
Durham, NC 27701

Richard E. Jones, Esquire
Vice President and Senior Counsel
Carolina Power & Light Company
P.O. Box 1551
Raleigh, North Carolina 27602

Dr. Linda W. Little
Governor's Waste Management Board
513 Albemarle Building
325 North Salisbury Street
Raleigh, North Carolina 27611

Bradley W. Jones, Esquire
U.S. Nuclear Regulatory Commission
Region II
101 Marrietta Street
Atlanta, Georgia 30303

Mr. Robert P. Gruber
Executive Director
Public Staff - NCUC
P.O. Box 991
Raleigh, North Carolina 27602

Administrative Judge Harry Foreman
Box 395 Mayo
University of Minnesota
Minneapolis, Minnesota 55455

H. A. Cole, Jr., Esquire
Special Deputy Attorney General
200 New Bern Avenue
Raleigh, North Carolina 27601

FORM 8-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) Month of August, 1985

CAROLINA POWER & LIGHT COMPANY

(Exact name of registrant as specified in its charter)

<u>North Carolina</u>	<u>1-3382</u>	<u>56-0165465</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

411 Fayetteville Street, Raleigh, North Carolina 27602
(Address of principal executive offices)

Registrant's telephone number, including area code (919) 836-6111

Item 5. Other Events

1. (Reference is made to the Company's 1984 10-K, Construction Program, page 5, paragraphs 4 and 5 and page 6, paragraph 6.) The Company is reviewing the construction schedule for the Harris Plant in connection with its annual budgeting process. The budgeting process culminates in December of each year with the adoption of a construction budget for the succeeding year. Although the Company cannot state with certainty whether or to what extent it will be necessary to modify the in-service date or estimated cost of the Harris Plant until its budget process is complete in December 1985, the October 1985 target date for hot functional testing has been rescheduled to December 1985, and there is a reasonable likelihood that the target date for fuel load will move to the second quarter of 1986 and that the in-service date will move to the fourth quarter of 1986 with commensurate adjustments in the estimated cost of the plant.
2. (Reference is made generally to the Company's 1984 10-K, Financing Program, page 7.) On September 5, 1985, the Company participated in the issuance and sale by The Wake County Industrial Facilities and Pollution Control Financing Authority (Authority) of \$50 million principal amount of weekly adjustable rate pollution control revenue bonds due September 1, 2015 (PCRBs), the proceeds of which are being loaned to the Company. The terms of the PCRBs permit each bondholder to require that its PCRBs be purchased upon seven days' notice. In accordance with the terms of a loan agreement between the Company and the Authority, the Company is obligated to make payments sufficient to pay the interest and principal on the PCRBs. The Company has provided a Letter of Credit from The Sumitomo Bank, Limited for liquidity and credit enhancement purposes. To date, approximately \$36 million of the proceeds from the sale of the PCRBs remains on deposit with the PCRB trustee pending application of the funds to qualifying expenditures on pollution control facilities.
3. (Reference is made to the Company's 1984 10-K, Retail Rate Matters, page 10, paragraph 3. Reference is also made to the Company's 8-K dated July 17, 1985, Item 5, paragraph 2.) On September 10, 1985 the North Carolina Utilities Commission (NCUC) issued its Final Order with respect to the five remanded fuel cases requiring the Company to make a one-time refund to its North Carolina retail customers of \$1.5 million plus interest at the annual rate of 10% compounded monthly from March 31, 1985 to the date of the refund. The Company has filed its Exceptions and Notice of Appeal with the NCUC and has requested a stay of the Final Order pending the outcome of the appeal. The Company cannot predict the outcome of this matter.
4. (Reference is made to the Company's 10-Q for the quarter ended June 30, 1985, Item 5, paragraph 1, to the Company's 8-K dated June 17, 1985, Item 5, paragraph 3 and to the Company's 8-K dated July 17, 1985, Item 5, paragraph 1.) On September 18, 1985, the NCUC issued its Order in Docket No. E-2, Sub 503 granting an increase of .168 cents/kWh excluding gross receipts taxes in the base fuel component in North Carolina retail rates. This increase in the base fuel component to the level of 1.750 cents/kWh excluding gross receipts taxes is effective for service rendered on or after September 18, 1985 and will increase annual revenues by approximately \$36 million. The parties have 30 days to appeal the Order. The Company cannot predict the outcome of this matter.

5. (Reference is made to the Company's 1984 10-K, Nuclear Matters, page 22, paragraph 14. Reference is also made to the Company's 10-Q for the quarter ended March 31, 1985, Item 5, paragraph 3, the Company's 10-Q for the quarter ended June 30, 1985, Item 5, paragraph 4, the Company's 8-K dated June 17, 1985, Item 5, paragraph 7, and to the Company's 8-K dated July 17, 1985, Item 5, paragraph 5.) On August 20, 1985 the Atomic Safety and Licensing Board (ASLB) ruled in favor of the Company on management capability and three other safety issues heard by the ASLB in the fall of 1984. The intervenors have filed a Notice of Appeal of the ASLB's August 20 ruling. Other safety issues and emergency planning issues are still pending before the ASLB. Hearings on these pending issues, including the drug use contention, are scheduled in September, October, and November 1985. Also with respect to the licensing proceeding, the NRC Staff has closed out the majority of the specified items during a July 1985 reinspection relative to the Integrated Design Inspection for the Harris Plant. The Company is actively pursuing closeout of the remaining items. The Company cannot predict the outcome of these matters.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAROLINA POWER & LIGHT COMPANY
Registrant

By: /s/ Edward G. Lilly, Jr.
Edward G. Lilly, Jr.
Executive Vice President

Date: September 24, 1985