

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
CAROLINA POWER & LIGHT COMPANY) Docket Nos. 50-325 and 50-324
)
(Brunswick Steam Electric Plant, Unit Nos. 1)
and 2))
)

ORDER APPROVING APPLICATION REGARDING PROPOSED CORPORATE
RESTRUCTURING OF CAROLINA POWER & LIGHT COMPANY BY ESTABLISHMENT OF A
HOLDING COMPANY

I.

Carolina Power and Light Company (CP&L) and North Carolina Eastern Municipal
Power Agency (NCEM) have jointly operating electric generating facilities, Facility Operating License Nos. DPR-71 and DPR-62 for
Brunswick Steam Electric Plant, Units No. 1 and 2 (Brunswick 1 and 2), which were issued
November 12, 1976, and November 27, 1974, respectively. CP&L owns a 81.67% interest in
Brunswick 1 and 2.

II.

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and 10 C.F.R.
§50.80, CP&L filed an application dated September 15, 1999, which was supplemented by
letters dated October 8, and November 10, 1999, requesting approval of the indirect transfer of
Facility Operating License Nos. DPR-71 and DPR-62 for Brunswick 1 and 2 that would result
from a proposed corporate restructuring of CP&L. Under the proposed restructuring, a new
holding company, CP&L Holdings, Inc. ("Holdings"), will be formed and will become the parent
company of CP&L. Current holders of CP&L common stock will receive, on a one-for-one basis,

shares of common stock of Holdings such that Holdings will then own the common stock of CP&L. CP&L's ownership interests in, and its operation of, its nuclear facilities will not change. No direct transfer of the licenses will occur, as CP&L will continue to hold the licenses. No physical changes to the facilities or operational changes are being proposed in the application. According to the application, as a result of the new corporate structure, Holdings will be able to respond more effectively to increased competition in the energy industry. Notice of the application and an opportunity for hearing was published in the FEDERAL REGISTER on November 2, 1999 (64 FR 59220). No hearing requests were filed.

Under 10 CFR 50.80 and 72.50, no license shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. Upon review of the information submitted by CP&L in its application, as supplemented, and other information before the Commission, the NRC staff has determined that the proposed restructuring of CP&L will not affect the qualifications of CP&L as holder of the licenses referenced above, and that the indirect transfer of the licenses, to the extent effected by the restructuring, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission subject to the conditions set forth herein. These findings are supported by a Safety Evaluation dated December 29, 1999.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC §§ 2201(b), 2201(i), 2201(o) and 2234; and 10 CFR 50.80 and 72.50, IT IS HEREBY ORDERED that the application regarding the subject indirect transfers is approved, subject to the following conditions:

from CP&L to its proposed parent or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of CP&L's consolidated net utility plant, as recorded on CP&L books of account, and

(2) should the restructuring of CP&L not be completed by December 30, 2000, this Order shall become null and void, provided, however, on application and for good cause shown, such date may be extended.

This Order is effective upon issuance.

For further details with respect to this action, see the initial application dated September 15, 1999, and supplements dated October 8, and November 10, 1999, and the Safety Evaluation dated December 29, 1999, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC 20545-0001, and the NRC Website (<http://www.nrc.gov>).

FOR THE NUCLEAR REGULATORY COMMISSION


Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland, this 29 th day of December 1999.