

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause

DOCKET NO. 130009-EI
Submitted for filing:
May 1, 2013

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DIRECT TESTIMONY
OF GARRY MILLER IN SUPPORT OF
ACTUAL/ESTIMATED and PROJECTED COSTS

ON BEHALF OF
DUKE ENERGY FLORIDA, INC.

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FPSC-COMMISSION CLERK

IN RE: NUCLEAR COST RECOVERY CLAUSE

BY DUKE ENERGY FLORIDA, INC.

FPSC DOCKET NO. 130009-EI

DIRECT TESTIMONY OF GARRY MILLER

1 **I. INTRODUCTION AND QUALIFICATIONS.**

2 **Q. Please state your name and business address.**

3 A. My name is Garry Miller. My business address is 526 South Church
4 Street, Charlotte, North Carolina 28202.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by Duke Energy Corporation ("Duke Energy") in the
8 Nuclear Engineering Group and I am the Senior Vice President – Nuclear
9 Engineering.

10
11 **Q. What are your job responsibilities?**

12 A. As Senior Vice President – Nuclear Engineering, I am responsible for all
13 corporate engineering, design engineering, engineering technical
14 programs, and nuclear fuels functions in Duke Energy's nuclear
15 generation fleet. This includes engineering at the Crystal River Unit
16 Number 3 ("CR3") nuclear power plant located at the Duke Energy,
17 Florida, Inc. ("DEF" or the "Company"), Crystal River power plant site in

DOCUMENT NUMBER-DATE

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1 Florida. The CR3 extended power uprate ("EPU") project at CR3 ("CR3
2 Uprate") included engineering work under my overall executive oversight.

3
4 **Q. What do your job responsibilities have to do with the EPU project at
5 CR3?**

6 **A.** As the Senior Vice President – Nuclear Engineering, I am a member of the
7 senior management executive review board responsible for all nuclear
8 operations within Duke Energy. As a result, I have executive-level
9 oversight for the CR3 decommissioning plan and activities following the
10 decision to retire CR3. Part of the CR3 decommissioning activities
11 involves the wind down or close out of existing construction and
12 engineering projects at CR3. This includes the CR3 EPU project. The
13 CR3 EPU project was cancelled when the Company decided to retire CR3
14 and, as a result, the EPU project will be closed out. CR3 activities will be
15 reviewed by the senior management executive review board.

16 Also, in my prior role as Vice President – Nuclear Engineering --- I
17 had management oversight responsibility for the engineering work for the
18 EPU project at CR3. This includes the engineering work for the EPU
19 project during the majority of 2012. This work was described in the
20 testimony of Jon Franke filed in March in this docket. Mr. Franke decided
21 to take an executive opportunity at a nuclear power plant with another
22 utility company and has left the Company. As a result, I am adopting Mr.
23 Franke's testimony and exhibits and I will support the Company's request

1 that the Florida Public Service Commission ("FPSC" or the "Commission")
2 determine that its EPU project costs in 2012 were prudently incurred in the
3 2013 Nuclear Cost Recovery Clause ("NCRC") proceeding.
4

5 **Q. Please summarize your educational background and work**
6 **experience.**

7 A. I have a Bachelor of Science degree in Nuclear Engineering from the
8 North Carolina State University. I also have a Masters degree in
9 Mechanical Engineering from North Carolina State University.

10 I have over 30 years of experience in the nuclear industry. My
11 experience involves engineering and maintenance experience at all of
12 Duke Energy's nuclear plants and the corporate office for nuclear
13 operations. I have held Engineering Manager positions at the Brunswick
14 Nuclear Plant and Robinson Nuclear Plant. I was also the Chief Engineer
15 for the Nuclear Generation Group ("NGG") for Progress Energy.
16 Additionally, I was the Maintenance Manager at Progress Energy's Harris
17 Nuclear Plant. I also hold a BWR/SRO (senior reactor operator)
18 certification. Prior to the merger, I was the Vice President of Nuclear
19 Engineering for Progress Energy. I assumed my current position with
20 Duke Energy following the merger between Duke Energy and Progress
21 Energy.
22
23

1 **II. PURPOSE AND SUMMARY OF TESTIMONY.**

2 **Q. What is the purpose of your direct testimony?**

3 A. My direct testimony will explain that, as a result of the February 5, 2013
4 Duke Energy Board of Directors decision to retire the CR3 nuclear plant,
5 the CR3 Uprate project is no longer needed and was cancelled. My
6 testimony will further describe how the CR3 Uprate project was
7 demobilized and will be closed-out. Finally, my testimony will support the
8 reasonableness and prudence of DEF's 2013 actual/estimated and 2014
9 projected costs associated with the cancellation and close-out of the EPU
10 project, pursuant to Section 366.93, Florida Statutes, and Rule 25-6.0423,
11 Florida Administrative Code ("F.A.C.").

12
13 **Q. Do you have any exhibits to your testimony?**

14 A. Yes, I am sponsoring the following exhibits to my testimony:

- 15 • Exhibit No. ____ (GM-1), the Company's February 7, 2013 EPU
16 License Amendment Request ("LAR") application withdrawal letter
17 to the Nuclear Regulatory Commission ("NRC");
- 18 • Exhibit No. ____ (GM-2), the Company's notification letters to EPU
19 project vendors with open contracts and purchase orders to
20 suspend all EPU project work activities;
- 21 • Exhibit No. ____ (GM-3), the EPU Project Close-Out Plan.

22 I am also co-sponsoring portions of Schedules AE-6.3 and sponsoring
23 Schedules AE-6A.3 through AE-7B of the Nuclear Filing Requirements

1 ("NFRs"), included as part of Exhibit No. ___ (TGF-7) to Mr. Thomas G.
2 Foster's testimony. The NFR Schedules, Schedules "P" and "TOR"
3 previously filed by the Company, are unnecessary because the EPU
4 project has been cancelled. In their place, I am co-sponsoring the capital
5 spend on Line 1 (a-f) on both the 2013 & 2014 Detail - Calculation of
6 Revenues Requirements schedule included in Exhibit No. ___ (TGF-6) to
7 Mr. Foster's testimony. A brief description of the other Schedules that I
8 sponsor or co-sponsor follows:

- 9 • Schedule AE-6 reflects actual/estimated monthly expenditures for
10 preconstruction and construction costs for the period.
- 11 • Schedule AE-6A reflects descriptions of the major tasks.
- 12 • Schedule AE-6B reflects annual variance explanations.
- 13 • Schedule AE-7 reflects contracts executed in excess of \$1.0 million.
- 14 • Schedule AE-7A reflects details pertaining to the contracts executed in
15 excess of \$1.0 million.
- 16 • Schedule AE-7B reflects contracts executed in excess of \$250,000, yet
17 less than \$1.0 million.

18 These exhibits, schedules, and appendices were prepared under my
19 direction and control, or they are documents routinely relied upon by me
20 and others in the Company in the usual course of our business as a
21 regular practice for our Company, based on the most current information
22 available to the Company at the time the exhibits were prepared, and they
23 are true and correct.

1 **Q. Please summarize your testimony.**

2 A. As a result of the Duke Energy Board of Directors decision to retire CR3,
3 the EPU project was not needed and was accordingly cancelled. DEF
4 immediately notified the NRC of the retirement decision and withdrew the
5 Company's EPU LAR application. DEF immediately suspended all
6 contractor and purchase order work activities on the EPU project. DEF
7 demobilized the EPU project team and released or reassigned project
8 personnel. DEF developed and is implementing an EPU Project Close-
9 Out Plan. Pursuant to this plan, DEF is conducting an analysis to
10 determine the cost effective and beneficial disposition decision for each
11 EPU contract and purchase order pending at the time the CR3 retirement
12 decision was made and for each item of installed or stored EPU
13 equipment received at that time. Only those project close-out and
14 contractual exit costs necessary to efficiently close-out the EPU project
15 will be incurred. For these reasons, the Company requests that the
16 Commission determine that its 2013 actual/estimated and 2014 projected
17 costs are reasonable and that DEF is entitled to recover CR3 EPU project
18 close-out and exit costs.

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1 **III. CR3 RETIREMENT AND CANCELLATION OF THE EPU PROJECT.**

2 **Q. When did the Company decide to retire CR3?**

3 A. The Board of Directors decision to retire CR3 was announced February 5,
4 2013. The prudence of this decision will be addressed in Docket No.
5 100437-EI.

6
7 **Q. What effect did the decision to retire CR3 have on the EPU project?**

8 A. Once the decision was made to retire CR3 the CR3 Uprate project was no
9 longer needed and was accordingly cancelled. The decision to cancel the
10 EPU project was made the same day the decision to retire CR3 was
11 announced.

12
13 **IV. CLOSE-OUT OF THE EPU PROJECT.**

14 **Q. What did the Company do to cancel the EPU project?**

15 A. When the Company decided to retire CR3, the Company then decided to
16 cancel the EPU project. The same day the Company verbally notified the
17 NRC that the Company had decided to retire CR3 and cancel the EPU
18 project. The Company further explained this decision cancelled the NRC
19 EPU LAR review. Thereafter, on February 7, 2013, DEF formally notified
20 the NRC in writing that the Company was cancelling the EPU project and
21 withdrawing its EPU LAR application as a result of the decision to retire
22 CR3. See the Company's EPU LAR Withdrawal Letter to the NRC
23 attached as Exhibit No. __ (GM-1) to my direct testimony. The NRC

1 confirmed that the EPU LAR review was cancelled and stopped all work
2 on the EPU LAR effective February 5, 2013. There are no new NRC
3 charges for the NRC review of the EPU LAR after February 5, 2013.

4 The Company also notified the Florida Department of
5 Environmental Protection ("FDEP") that the Company had decided to
6 retire CR3 and cancel the EPU project. The Company and the FDEP
7 have ceased EPU project permitting activities. The discharge canal
8 cooling tower Point of Discharge ("POD") project that was part of the EPU
9 project was also cancelled when the EPU project was cancelled.

10 When the Company cancelled the EPU project the Company also
11 sent a formal notification to all vendors with open contracts and purchase
12 orders for the EPU project to suspend all EPU project work activities
13 immediately. A similar suspension notice letter was sent to AREVA to
14 suspend all engineering work in support of the Company's pending EPU
15 LAR application and the EPU project effective immediately. Copies of
16 these letters are included as Exhibit No. ____ (GM-2) to my direct
17 testimony. EPU project work was suspended until an EPU Close-Out Plan
18 was developed for the EPU project to plan the disposition of EPU
19 contracts, purchase orders, and equipment.

20 Finally, when the Company decided to cancel the EPU project, the
21 Company demobilized the EPU project team. All EPU project engineering
22 contractors, except for personnel required to maintain existing EPU
23 equipment, were released. All EPU project management and operations

1 support staff were released except for three EPU project team members.
2 By the end of February 2013, the remaining EPU project team members
3 included the EPU manager, the EPU project manager, and the EPU
4 project specialist. These EPU project personnel are necessary to perform
5 the EPU project close-out work under the EPU Close-Out Plan and are
6 expected to remain on the project through the close-out.
7

8 **Q. What is the EPU Close-Out Plan?**

9 A. The EPU Close-Out Plan is the project plan to wind down and close out
10 project contracts and other project documents, to address the disposition
11 of EPU equipment and material, and to close out project regulatory
12 activities. The EPU Close-Out Plan addresses: (1) EPU project contracts
13 and purchase orders; (2) EPU equipment maintenance and disposition; (3)
14 EPU documentation close-out; (4) EPU financial impact and close-out;
15 and (5) EPU project regulatory activities close-out. The EPU Close-Out
16 Plan is attached as Exhibit No. __ (GM-3) to my direct testimony.
17

18 **Q. Can you describe the process to close-out contracts and purchase**
19 **orders for the EPU equipment?**

20 A. Yes. As I explained above, when the Company decided to retire CR3 and
21 cancel the EPU project all EPU project vendors with open contracts and
22 purchase orders for EPU equipment were notified to immediately suspend
23 all EPU work activities. Under the EPU Project Close-Out Plan, each

1 vendor will be contacted individually to discuss the possible completion of
2 the contract or purchase order work, if that is the economically beneficial
3 decision, or termination of the contract or purchase order. To make this
4 decision the Company will assess the contract and purchase order status
5 by determining the percent complete of equipment fabrication, any partial
6 deliverables already provided, the feasibility of accepting shipment if
7 delivery is imminent, and the percentage of full price payment left under
8 the contract or purchase order. In the event of contract or purchase order
9 termination, the Company will also consider the benefits from either (1)
10 refusing delivery of and abandoning the incomplete EPU equipment or (2)
11 selling the incomplete EPU equipment through the vendor. Based on this
12 assessment, the Company will determine if contract or purchase order
13 termination or completion of the work under the contract or purchase order
14 is the economically beneficial decision.

15
16 **Q. What does the Company plan to do with EPU equipment it already**
17 **has received or will receive if the Company decides to complete the**
18 **contract or purchase order for the equipment?**

19 **A.** EPU equipment installed in the plant will be properly maintained. Any
20 decision to complete a contract or purchase order for EPU equipment will
21 include a determination that the EPU equipment can be efficiently
22 maintained by the vendor or contractor or on site until it is sold. The EPU
23 contract or purchase order Designated Representative ("DR") will oversee

1 this decision and the Component Engineering and Project Specialist will
2 be responsible for maintaining the EPU equipment until final disposition of
3 the equipment.

4
5 **Q. What happens to existing EPU Work Orders and Engineering**
6 **Changes in the EPU Project Close-Out Plan?**

7 A. There is no further work under the EPU project work orders or Engineering
8 Changes ("ECs") for the project under the EPU Project Close-Out Plan.
9 No EPU EC work order tasks are to remain open, however, they will be
10 maintained on the system to ensure that there is documentation for them
11 until the documentation is transitioned from the EPU project to the project
12 to decommission CR3. The process to decommission CR3 will be
13 described in the Decommissioning Program Manual that is being
14 developed for CR3.

15
16 **Q. Does the EPU project budget for 2013 reflect the decision to cancel**
17 **the EPU project and implement the EPU Project Close-Out Plan?**

18 A. Yes. The revised EPU project budget includes estimates for EPU project
19 close-out activities and estimated EPU contract cancellation or wind down
20 costs. The Company's actual/estimated 2013 EPU project costs reflect
21 this revised EPU budget for 2013. This EPU project 2013 financial budget
22 does not include any future credit from the sale or disposition of EPU
23 assets because the disposition decisions were not made at the time the

1 budget was prepared and, therefore, estimated disposition proceeds were
2 unavailable and uncertain. As each EPU contract and purchase order
3 disposition decision is made, the Company will revise the EPU project
4 budget to reflect the final decision. Any appropriate credits upon
5 disposition of EPU assets will be trued-up in the NCRC docket, as
6 explained in Mr. Foster's testimony, as part of the regulatory close-out
7 process under the EPU Project Close-Out Plan. An Investment Recovery
8 Team, which will be part of the CR3 Decommissioning organization, will
9 be formed to assist with the possible sale or disposition of EPU assets.

10
11 **V. CR3 UPRATE ACTUAL/ESTIMATED 2013 AND PROJECTED 2014**
12 **COSTS.**

13 **Q. What are the actual/estimated costs for the EPU project in 2013?**

14 **A.** DEF incurred \$1.5 million in actual construction costs for the EPU project
15 from January 1, 2013 through February 4, 2013. From February 5, 2013
16 to December 31, 2013 DEF estimates that it will incur an additional \$12.6
17 million for EPU project close-out activities. As indicated on Schedule AE-
18 6.3 of Mr. Foster's Exhibit No. __ (TGF-7) the total 2013 actual/estimated
19 costs are about \$14.1 million.

20 A breakout of these costs by category is as follows: (1) License
21 Application costs estimated at \$539,026; (2) Power Block Engineering,
22 Procurement, and related construction costs estimated at \$13.1 million; (3)
23 Non-Power Block Engineering, Procurement and related construction

1 costs estimated to be \$37,756; and (4) Project Management costs
2 estimated at \$434,628.

3
4 **Q. What costs are projected to be incurred for EPU project close-out**
5 **activities in 2014?**

6 A. As shown in Mr. Foster's schedule in Exhibit No. __ (TGF-6), the 2014
7 projected EPU close-out costs are estimated at \$244,080.

8
9 **Q. Please explain the License Application costs incurred for the CR3**
10 **Uprate project in 2013.**

11 A. Prior to the decision to retire CR3 and cancel the EPU project, the
12 Company reasonably incurred License Application costs for 2013 that
13 reflect the cost of the work necessary to obtain NRC approval of the EPU
14 LAR. More specifically, these costs reflect the fees due to the NRC for its
15 review of the EPU LAR in 2013. As I explained above, DEF immediately
16 notified the NRC of its decision to retire CR3, cancel the EPU project, and
17 withdraw the EPU LAR application. Upon receipt of that notification, the
18 NRC confirmed that it stopped its EPU LAR review. The 2013
19 actual/estimated costs in Schedules TGF-6 and TGF-7 reflect only the
20 NRC fees in 2013 for EPU LAR review work performed prior to February
21 5, 2013. These are actual NRC fees for NRC EPU LAR review work and,
22 therefore, they are reasonable.

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Q. Please describe the Power Block Engineering, Procurement and related construction costs for the CR3 Uprate project in 2013 and 2014.

A. Power Block Engineering, Procurement, and related construction costs in the amount of \$987,107 were incurred prior to February 5, 2013, for the CR3 Uprate project for continued engineering design work for implementation of the EC packages for the EPU phase work and continued progress payments based on pre-existing contractual commitments for the long lead equipment ("LLE") necessary for the EPU phase of the CR3 Uprate project based on the then current implementation schedule. Following the decision to retire CR3 and the cancellation of the CR3 Uprate project, the remaining \$12.1 million in 2013 actual/estimated costs is for EPU project close-out activities identified in the EPU Project Close-Out Plan attached as Exhibit No. ___ (GM-3) to my testimony. More specifically, DEF estimates that it will incur approximately \$7.6 million for LLE contract close-out in 2013; however, this is not taking into account any potential resale or salvage value of LLE items, which cannot be accurately estimated at this time.

In 2014, the projected \$244,080 costs are for EPU LLE equipment maintenance and storage necessary to preserve the equipment that is intended for resale until all equipment is dispositioned.

1 **Q. Are the Power Block Engineering, Procurement and related**
2 **construction costs and activities described above for 2013 and 2014**
3 **reasonable?**

4 A. Yes. DEF immediately notified vendors to suspend work and is working
5 diligently to obtain the cost-effective, negotiated result with each vendor
6 for DEF and its customers. DEF is now reasonably gathering information
7 from its vendors and is conducting an analysis to determine the cost
8 effective and beneficial disposition decision for each EPU contract and
9 purchase order, taking into account potential resale value and
10 maintenance and storage costs, which will provide the basis for disposition
11 decisions for each EPU contract, purchase order, and EPU equipment
12 item in the best interest of the Company and its customers.

13
14 **Q. Please describe the Non-Power Block Engineering, Procurement and**
15 **related construction cost activities for the CR3 Uprate project in**
16 **2013.**

17 A. Estimated Non-Power Block engineering, procurement and related costs
18 are \$37,756. Limited permitting activities continued in 2013 for the POD
19 cooling tower prior to the CR3 retirement decision. Following the CR3
20 retirement decision, these activities were fully suspended and the POD
21 project was cancelled because it was no longer needed. The FDEP has
22 been notified of the cancellation. Any LLE associated with the POD

1 project will be dispositioned utilizing the same procedures described
2 above to disposition the EPU equipment.

3
4 **Q. Can you explain the Project Management work in 2013 for the CR3**
5 **Uprate project?**

6 A. Yes. DEF continued to incur costs to manage the CR3 Uprate project
7 through February 5, 2013, the date that the CR3 retirement decision was
8 announced. Additional project management costs were incurred following
9 the CR3 retirement decision for DEF to implement its EPU project
10 demobilization and EPU Project Close-Out Plan for a total of \$434,628 in
11 2013. DEF's project management costs include the activities conducted
12 pursuant to our project management and cost control oversight policies
13 and procedures necessary to support, supervise, and manage, and now
14 close-out, the EPU phase of the CR3 Uprate project.

15
16 **Q. Are the actual/estimated 2013 and projected 2014 costs for the CR3**
17 **Uprate project separate and apart from costs that the Company**
18 **would have incurred to operate CR3 or to decommission the plant?**

19 A. Yes, they are. DEF included for recovery in this proceeding only those
20 costs that were incurred or that will be incurred solely for the EPU project
21 or for EPU close-out activities under the EPU Project Close-Out Plan. No
22 costs are included in this request for decommissioning the plant.

23

1 VI. **RULE 25-6.0423(5)(c)5, F.A.C.: LONG-TERM FEASIBILITY OF**
2 **COMPLETING THE CR3 UPRATE PROJECT.**

3 **Q. Is the Company filing a feasibility analysis this year?**

4 A. No, we are not. The Company decided to retire CR3 and decommission
5 the plant, as a result, the EPU project is no longer needed and was
6 cancelled. Therefore, no forward looking feasibility analysis is required.

7

8 **VII. PROJECT MANAGEMENT AND COST CONTROL OVERSIGHT.**

9 **Q. Did the Company utilize prudent project management and cost**
10 **oversight controls when implementing the close-out of the EPU**
11 **project?**

12 A. Yes it did. The Company developed its close-out plan utilizing the project
13 management policies and procedures that have been reviewed and
14 approved as prudent by this Commission in prior year's dockets and that
15 were described in Mr. Jon Franke's testimony filed on March 1, 2013,
16 which, as I explained above, I will be adopting in this proceeding.

17

18 **Q. Please explain the project management and cost control oversight**
19 **processes used for the EPU Close-Out.**

20 A. As an initial matter, the EPU Close-Out Plan was developed as a guide for
21 project personnel as the EPU was demobilized and closed-out. Each
22 close-out decision is and will be documented utilizing the Company's
23 existing Integrated Change Form ("ICF") documentation and approval

1 process that is part of the CR3 Uprate project management and cost
2 control policies and procedures previously reviewed and approved as
3 prudent by the Commission. The EPU Close-Out Plan outlines the
4 process for the transition of the EPU work orders and ECs to the CR3
5 Decommissioning organization consistent with the guidance contained in
6 procedure EGR-NGGC-0005. DEF is also utilizing Nuclear Generation
7 Group standard procedure MCP-NGGC-0001, *Contract Initiation,*
8 *Development and Administration,* for EPU vendor contractor close-out and
9 oversight guidance. These procedures are also part of the project
10 management and cost control procedures previously reviewed and
11 determined to be prudent by the Commission.

12
13 **VIII. CONCLUSION.**

14 **Q. Was the cancellation of the EPU project reasonable and prudent?**

15 A. Yes it was. As a result of the decision to retire CR3, the CR3 Uprate
16 project was no longer needed and was immediately cancelled. Based on
17 the circumstances, this was the only decision the Company could have
18 made regarding this project.

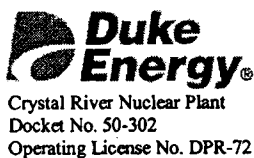
19
20 **Q. Are DEF's CR3 Uprate project close-out costs in 2013 and 2014**
21 **reasonable?**

22 A. Yes they are. The Company immediately suspended any additional
23 licensing, contract, and purchase order work, demobilized the EPU project

1 team except for management necessary to wind down the project, and
2 developed and implemented the EPU Project Close-Out Plan. DEF is
3 currently working through its Supply Chain, Investment Recovery, and
4 CR3 Decommissioning organizations to ensure that the close-out of the
5 EPU contracts and purchase orders and disposition of EPU LLE is cost
6 effective for both the Company and its customers. Any proceeds from the
7 resale of EPU equipment will be credited to customers. As a result, the
8 Company has minimized EPU project costs in 2013 and 2014. Only those
9 costs that were reasonable and prudent project exit or wind-down costs
10 were incurred. For these reasons, as more fully explained above, these
11 costs are reasonable and should be approved for recovery.

12
13 **Q. Does this conclude your testimony?**

14 **A. Yes, it does.**



Docket No. 130009-EI
Duke Energy Florida, Inc.
Exhibit No. _____ (GM-1)
Page 1 of 1

Ref: 10 CFR 50.90

February 7, 2013
3F0213-06

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

Subject: Crystal River Unit 3 - Withdrawal of License Amendment Request #309, Revision 0 (TAC NO. ME6527)

Reference: CR-3 to NRC letter dated June 15, 2011, "Crystal River Unit 3 - License Amendment Request #309, Revision 0, Extended Power Uprate" (ADAMS Accession No. ML112070659)

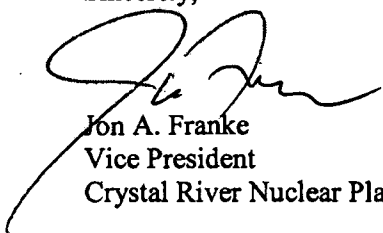
Dear Sir:

Florida Power Corporation hereby withdraws License Amendment Request (LAR) #309, Revision 0, in its entirety. The proposed LAR (Reference) was submitted to obtain approval to perform an extended power uprate which includes modifications to the Crystal River Unit 3 (CR-3) Improved Technical Specifications. The decision to withdraw is based on the determination to retire CR-3.

There are no new regulatory commitments made within this submittal.

If you have any questions regarding this submittal, please contact Mr. Dan Westcott, Regulatory Affairs Manager at (352) 563-4796.

Sincerely,



Jon A. Franke
Vice President
Crystal River Nuclear Plant

JAF/par

xc: Regional Administrator, Region II
Senior Resident Inspector
NRR Project Manager
State Contact

Crystal River Nuclear Plant
15760 W. Powerline Street
Crystal River, FL 34428

13PMA-DR1CR3-3S1-000009



DOCKET NO. 130009-EI
Duke Energy Florida, Inc.
Exhibit No. ____ (GM-2)
Page 1 of 3

Letter No. CNTR13-0016

February 5, 2013

AREVA NP Inc.
7207 IBM Drive
Charlotte, NC 28262

Attention: Ray Stewart

Subject: Contract Work Authorization Suspension Notice

Reference: Progress Energy Contract No. 101659, Work Authorization No. 84

Dear Mr. Stewart,

In accordance with Section 13(C) under the Master Contract No. 101659, Owner is hereby suspending all Work associated with Work Authorization No. 84. In accordance with this suspension notice, all efforts related to Work Authorization No. 84 including any further design and engineering activities previously authorized or currently scheduled under the aforementioned Contract shall be suspended immediately until further notice from Owner. No further design or engineering costs shall be incurred by Owner as of the date of this notification.

Thank you for your prompt attention to this request. Please feel free to contact me at (352) 563-2943 ext. 1048 with any questions regarding notification.

Sincerely,

Larry Sexton
Extended Power Uprate (EPU) Project
Designated Representative

cc:

Paul Ingersoll - PE
Ted Williams - PE

Jay Outcalt - PE

Shannon Frazier - PE

CR3 EXTENDED POWER UPRATE (EPU)
PROJECT CLOSE OUT

Docket No. 130009-EI
Duke Energy Florida, Inc.
Exhibit No. _____ (GM-2)
Page 2 of 3



February 7, 2013

Letter No. CNTR13-0017

To: All Progress Energy Florida (Duke Energy) Extended Power Uprate (EPU) Vendors

From: Paul Ingersoll, Manager Major Projects (EPU)

Subject: Suspension Notice for all Work under your EPU Contract(s)

Progress Energy Florida (Duke Energy), hereinafter referred to as "Owner", has publicly announced its decision to retire the Crystal River 3 Nuclear Plant located in Citrus County, FL. This letter is being provided as formal notification of the suspension of all Work activities provided under your Contract(s) with Owner in support of the EPU project. All Work activities are defined in the Contract and include but are not limited to the following: design, engineering, manufacturing, procurement, construction, and services. All work activities should be suspended immediately, effective as of the date of this letter and no charges shall be incurred beyond the effective date of this letter unless authorized in writing by Owner's Designated Representative.

Owner will contact each vendor individually in the coming months to discuss the path forward regarding possible completion of Work or termination of the Contract. Please start evaluating your Contract for the following:

- Prepare a detailed breakdown of unreimbursed costs incurred through the date of suspension.
- Evaluate and document if the suspension has any impact to the contract budget.
- Evaluate the possibility of equipment buy backs and explore if equipment can be resold to other customers. Due to the retirement we are highly interested in exploring any proposals that limit financial expenditures.
- Provide any other pertinent recommendations or evaluations not specifically requested, but deemed useful.

Thank you for your prompt attention to this request. Please feel free to contact the Designated Representative (DR) identified in your Contract if you have any questions regarding this suspension notice. You may also contact Jay Outcalt (352-563-2943 x4246) or Shannon Frazier (352-563-2943 x4237) in the contract management office.

Sincerely,

Paul Ingersoll
Manager, Extended Power Uprate Project

15760 W Powerline Street • Crystal River • Florida 33428-6708 • (352) 563-4333 office (352) 563-4364 fax



February 7, 2013

To: Mr. Ralph Menning, Siemens Energy

From: Jay Outcalt, Major Projects Contracts Manager

Subject: Suspension Notice for all Work under EPU Contract No. 145569-50


Progress Energy Florida (Duke Energy), hereinafter referred to as "Owner", has publicly announced its decision to retire the Crystal River 3 Nuclear Plant located in Citrus County, FL. This letter is being provided as formal notification of the suspension of all Work activities provided under your Contract(s) with Owner in support of the EPU project. All Work activities are defined in the Contract and include but are not limited to the following: design, engineering, manufacturing, procurement, construction, and services. All work activities should be suspended immediately, effective as of the date of this letter and no charges shall be incurred beyond the effective date of this letter unless authorized in writing by Owner's Designated Representative.

Owner will contact Siemens to discuss the path forward regarding possible completion of Work or termination of the Contract. Please start evaluating your Contract for the following:

- Prepare a detailed breakdown of unreimbursed costs incurred through the date of suspension.
- Evaluate and document if the suspension has any impact to the contract budget.
- Evaluate the possibility of equipment buy backs and explore if equipment can be resold to other customers. Due to the retirement we are highly interested in exploring any proposals that limit financial expenditures.
- Provide any other pertinent recommendations or evaluations not specifically requested, but deemed useful.

Owner requests to work with Siemens Energy to close out the CR3 Turbine Generator Uprate Contract No. 145569-50. Please contact the Designated Representative (DR) to discuss scheduling a meeting to review contract closure requirements. Thank you for your prompt attention to this request.

Sincerely,



Jay Outcalt
Contracts Manager

Crystal River 3 Extended Power Uprate Project (EPU)

Project Close Out

Sponsoring Business Unit:	Major Projects
Funding Legal Entity:	Progress Energy Florida
Date Prepared:	March 25 th 2013

Key Project Contacts:

Role, Department / Group	Name	Phone No.
Manager, Nuclear Plant Projects	Magdy Bishara	352-563-4195
Manager, Design Engineering	Ted Williams	352-563-4356
General Manager Nuclear Projects	Jim Holt	704-382-4204
SVP Nuclear Engineering	Garry Miller	352-563-4477

Plan Revision Control

0	Ted Williams	Initial publication	03/19/13

Approval

This section contains formal signature approval of the CR3 Extended Power Level Upate Project Close Out.

Magdy Bishara	Manager, Nuclear Plant Projects	<i>Magdy Bishara</i>	4/24/2013
Ted Williams	Manager, Design Engineering	<i>Ted Williams</i>	4/24/13
Jim Holt	General Manager Nuclear Projects	<i>J Holt</i>	4/25/13
Garry Miller	SVP Nuclear Engineering	/s/ Garry Miller	4/24/13

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Attachments:

- EPU Demobilization Chart
- Planning Document for the shut down
- EPU R17 Heavy Hauling Components Spreadsheet
- Letter No. CNTR13-0016
- Letter No. CNTR13-0017
- Letter No. CNTR13-0018
- EPU Contracts Spreadsheet
- EPU Purchase Order Spreadsheet
- DOC01 List of EPU ECs and Passport Status
- DOC02 EPU Screening Categories
- DC03 EPU WO Task Closeout
- CR3 EPU Projection Template
- CR3 EPU Monthly Report Jan 2013
- Letter 10CFR 50.90
- NRC Permission Letter
- EPU LAR 309 Branch Status-Acceptance Review

Extended Power Uprate Project Close Out Executive Summary

On February 5, 2013 a corporate decision was made to retire the Crystal River Unit 3 (CR3) Nuclear plant. On February 7, 2013, the legal entity, Florida Power Corporation, notified the Nuclear Regulatory Commission (NRC) and withdrew the Extended Power Uprate (EPU) License Amendment Request (LAR) #309, Revision 0, in its entirety. As a result of this decision, the EPU project is no longer needed and is cancelled.

The EPU Project Team has demobilized. Since the February 5, 2013 announcement was made to retire CR3, an EPU Project Team demobilization plan was implemented. The EPU Engineering Design Team included 17 in house direct employees and 20 contract employees, the EPU Project Management and Implementation Team consisted of two (2) direct full time employees and 12 contract personnel, and the EPU Operations support staff included 3 direct employees and 12 contract personnel. All EPU contractors, except for the equipment laydown and heavy haul specialist, have been released. All EPU project Operational Staff have been released. Most permanent EPU project employees are charging to the CR3 Station engineering design organization under O&M. There are only three EPU Project Team members following the demobilization of the EPU Project Team Staff. They are the EPU manager, EPU project manager, and EPU project specialist, and they are necessary to perform the EPU Project Closeout work estimated at this time to continue until the end of May. These EPU personnel will coordinate logistics and turnover of EPU equipment and documentation under the EPU Closeout Plan.

This EPU Closeout Plan addresses open EPU project issues including (1) open vendor contracts and purchase orders, (2) equipment disposition / maintenance, (3) EPU documentation closeout (Engineering Changes, Work Orders, etc.), (4) Financial close out, and (5) Regulatory close out. The EPU Closeout Plan for each of these open project issues is summarized below and discussed in greater detail below and in the related attachments.

EPU Contracts and Purchase Orders:

Following the February 5, 2013 announcement by Progress Energy Florida (Duke Energy) of the decision to retire the Crystal River Unit 3 Nuclear Plant, a formal notification was sent to all vendors with open contracts and purchase orders requesting that all work activities be suspended immediately. Under the EPU Closeout Plan, each vendor will be contacted individually to discuss the path forward regarding possible completion of work, if that is the economically beneficial decision, or termination of the contract or purchase order. All contract activities will be turned over to Contract Services. All open purchase orders have been turned over to the Supply Chain.

The Contract and PO Closeout Options include (1) an assessment of contract and purchase order status, (2) the determination of the percent complete of equipment fabrication, (3) the determination of partial deliverables provided, (4) the determination of the feasibility of accepting shipment and delivery of 'imminent' orders, and (5) the determination of the percentage of full price payment to arrive at recommendations for the termination or beneficial completion of the work under the contract or purchase order.

EPU Equipment:

Remaining work associated with EPU equipment includes completion of equipment Work Orders, continued Preventive Maintenance, and receipt of new EPU equipment based on the determination that the completion and delivery of the equipment is the economically beneficial decision. EPU equipment installed in the plant will be maintained by the CR3 Maintenance Department. Any decision to (1) terminate the contract or purchase order and abandon the incomplete EPU equipment, (2) sell the incomplete or complete EPU equipment, or (3) refuse delivery of completed EPU equipment will be documented on an EPU Integrated Change form. It will be the responsibility of the contract Designated Representative (DR), Component Engineering, and Implementation Specialist to oversee and maintain this EPU equipment and submit Integrated Change Forms (ICFs), as required, to document the EPU equipment decision.

Documentation of EPU Work Orders and Engineering Changes (EC):

The EPU Closeout Plan provides the steps to transition the EPU Work Orders and ECs on the system from the EPU project process to the process under the Decommissioning Program Manual. This manual is being developed as part of Decommissioning and will describe the procedural and programmatic processes for the station to follow. During this transition period, all open EPU Work Orders and ECs will be maintained in the PassPort system. All tasks that are in the "WORKING" status in PassPort cannot be cancelled until the hard copy is obtained and turned in to CR3 Projects Document Control. No EPU EC Work Order Tasks are to remain open. Open Facilities Work Orders and receipt of materials/components Work Orders will be evaluated by Project Management & Implementation and Facilities for disposition. The Engineering Transition Team of previous EPU engineers, who are charging to Station O&M, will have the responsibility to transition the close out of EPU Work Orders and ECs consistent with the guidance contained in EGR-NGGC-0005 Engineering changes to the Decommissioning Transition Organization. An ICF will be generated to document these decisions along with the alternatives that were considered.

Financial:

The 2013 EPU financial budget has been revised following the decision to retire CR3. This initial revision includes personnel to perform EPU closeout activities and estimated EPU contract cancellation or closeout cost. An ICF will be developed to document the financial assumptions and the decision to cancel or complete and deliver equipment under contract or purchase order. The initial EPU financial budget does not include any possible future credit from the sale or disposition of EPU assets. The 2013 EPU projected expenditures will be revised as each EPU contract and purchase order is negotiated to final closure. An ICF will be developed to document each final negotiated decision.

An Investment Recovery Team which will be part of the Station DTO Procurement organization, will be formed to provide guidance and assistance with the possible sale or disposition of EPU assets, and the 2013 and future years' projections will be revised.

REDACTED

Regulatory Closeout:

The NRC was notified of the decision to retire CR3 and, on Feb 7, 2013, that the CR3 EPU LAR was being withdrawn. The Florida Public Service Commission (FPSC) also received copies of the NRC notifications. The Company filed its EPU True-up Testimony, Exhibits, and Nuclear Filing Requirements (NFRs) for 2012 on March 1, 2013. A PSC audit for the EPU project in 2012 is underway with the PSC audit results expected to be finalized by May 31, 2013.

EPU Demobilization

On February 4, 2013 the EPU project employed 17 in house direct employees and 20 contract employees working on the EPU Engineering Design Team at various full and part time resource loadings for a total of 30 FTE. The Project Management and Implementation Team consisted of 2 Direct Full Time Employees and 12 contract personnel involved with planning and scheduling, project and financial controls, and implementation personnel. Operations support staff included 3 direct employees and 12 contract personnel.

On February 5, 2013 the announcement of the plant retirement resulted in the cancellation of the EPU project and impacted the EPU Engineering Design Team, Project Management and Implementation Team, and EPU Operations support staff. The following demobilization plan was implemented by the end of February 2013.

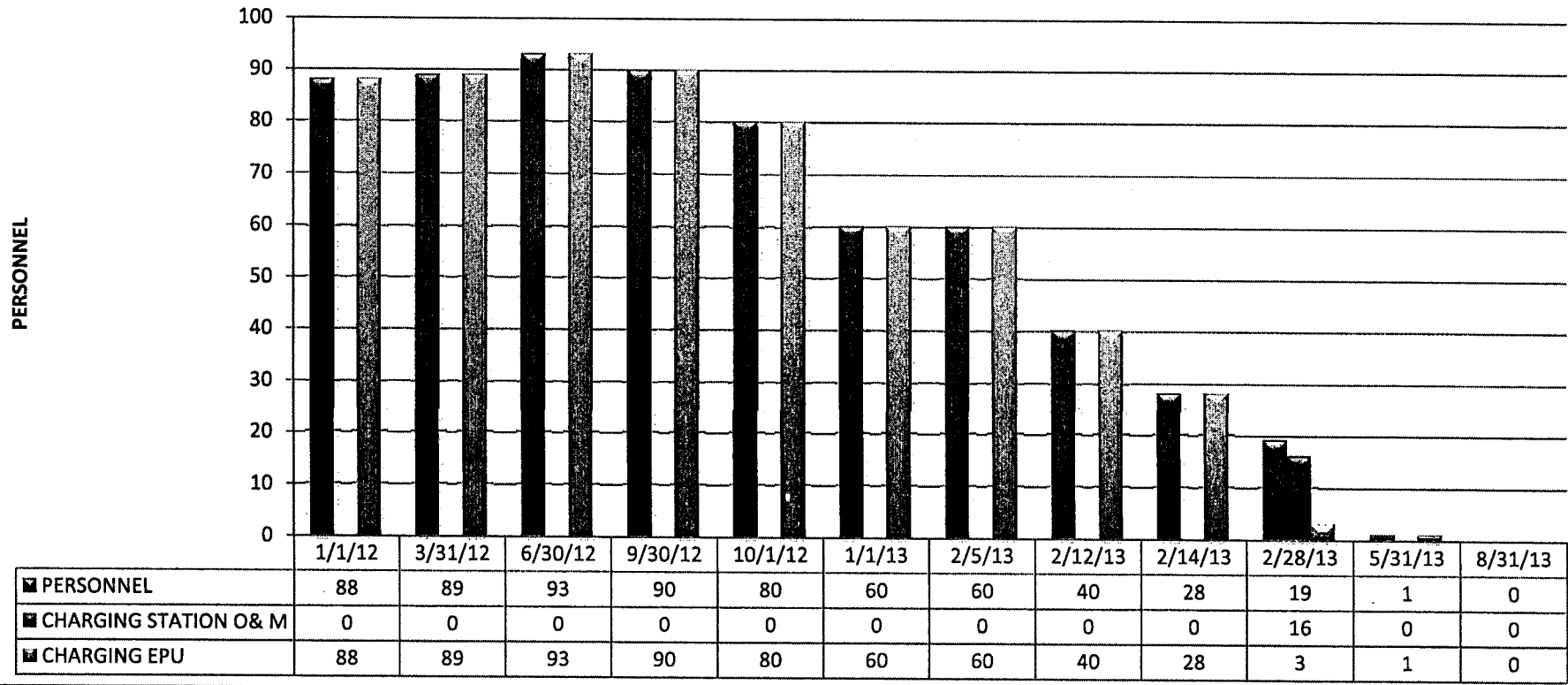
On February 12, the 20 Contract Engineering personnel were released. This left only the 17 direct employee engineering staff. On February 14, the 12 Contract Operations Support Personnel were released. This left 3 direct employees in Operations Support who are no longer charging to the EPU project. By Feb 28, 12 contract project management personnel were released from EPU. The remaining 2 project management personnel were the EPU project manager and the EPU contract equipment specialist.

The 17 remaining direct engineering staff were transferred to the CR3 Station engineering design and operations organization the week of Feb 18 for CR3 Station operations and maintenance ("O&M") work. Prior to the week of February 18, the direct engineering staff charged the EPU project for EPU project wind down and close out activities. The close out activities are defined in this plan. The close out activities for the EPU project are expected to be completed in March. At that time, all impacted personnel will be charging CR3 Station O&M or supporting other organizations within major projects and charging appropriately to those projects.

All EPU project direct employees were impacted by the CR3 plant retirement decision. As such, they will decide to redeploy, severance out, or stay as part of the CR3 Decommissioning Transition Team. Current projections estimate that the EPU direct employee decisions will be made by the end of March.

Attachment:
EPU Demobilization Chart

EPU Demobilization



EPU Equipment Disposition

EPU Components Installed (but not in service):

The CR3 EPU project included the installation of several modifications during the 2009 CR3 refueling outage that have not been placed in service. The major component installations include Moisture Separator Re-heaters (MSR), Turbine Generator and Exciter, Secondary Cooling Heat Exchangers, Secondary Cooling Pump Impellers and Motors, ISO Phase Bus Duct Cooler, Condensate Heat Exchangers, and Turbine Generator Lube Oil Cooler tube bundles. Since installation the plant has not operated and these components have not been fully tested. These installed components have been preserved and maintained in an appropriate layup state by CR3 Station engineering, maintenance and operations departments to ensure they do not degrade. EPU is currently paying for the de-humidifier rental to maintain dry layup conditions for the MSRs.

EPU will continue coordination with the CR3 Station to preserve EPU installed components until a cost benefit analysis is completed that considers the potential salvage value of each component compared to the cost to maintain in layup condition for resale value.

EPU Components Not Installed:

Several large EPU components have arrived on site, been received, placed in storage, and are currently being maintained per vendor long term storage instructions. These components include Feedwater Heaters; Condensate Pumps, Motors and Discharge Heads; Low Pressure Turbines and High Pressure Turbine Rotor.

EPU Project and CR3 Station material management will continue to preserve EPU received components until a cost benefit analysis is completed that considers the potential salvage value of each component compared to the cost to maintain in layup condition for resale value.

EPU Components Not Received:

For EPU Project components that have not been received, suspension letters were sent to the component vendors to apprise them of the decision to retire and decommission CR3 and to suspend the vendor contract or purchase order. The EPU Project Manager and Contracts personnel are working with the Supply Chain and Investment Recovery staff to evaluate vendor proposed contract or purchase order closure terms consistent with the contract and purchase order terms to close out the contract or purchase order. Additional details are outlined in the Contract Closure section of this EPU Project Closeout Plan.

CR3 Asset Recovery Team

The EPU Project Management is coordinating CR3 EPU asset disposition with the Major Projects, Finance, Regulatory Strategy, Regulatory Accounting, Legal, Contracts, Supply Chain, and Investment Recovery groups. The current accounting structure for EPU assets will be maintained and the ICF process will be used to document EPU asset component decisions. This EPU Project Close Out Plan will be updated when the CR3 asset disposition plan is fully developed and approved. The following description is the current status of EPU assets. This status might change as EPU asset disposition decisions are made.

Equipment receipt and Preservation

Complete planning Work Orders (WOs) for receiving equipment:

Condensate pumps and discharge heads	WO1782146-05
Booster pumps, motors, oil skids & frames	WO1782146-23
Main feed pumps	WO1782146-24
Feed water heaters 3A/3B	WO1782146-04

Continue Preventative Maintenance PMs:

Maintain PMs for stored Turbine parts
Maintain PMs for stored Feedwater heaters
Maintain PMs for POD components
Maintain chemical storage area inspection
Maintain control of specialty rigging (turbine and condensate motor)

EPU AI-604 Laydown Storage Areas:

11-039 Condensate motor storage 95' el. Turbine building
Current Status: Continue to maintain until motors need to be removed from the building

11-013 H.P. work station 145' el. turbine building
Current Status: Turn this area over to the plant

12-004 A-G H.P. & L.P. turbine parts stored on 145' el.
Current Status: maintain control of these areas

R16-Y059 Rail spur Offload area
Current Status: maintain control of this area

110 building - cool room
Current Status: turn ownership of this area over to the CR3 Station

Attachments:

Planning Document for the shut down
EPU R17 Heavy Hauling Components Spreadsheet

Things to do for the shut down

2/05/13

Planning

Complete planning W.O.'s for receiving equipment

Condensate pumps and discharge heads	WO1782146-05
Booster pumps, motors, oil skids & frames	WO 1782146-23
Main feed pumps	WO 1782146-24
Feed water heaters 3A/3B	WO 1782146-04

Continue PM's

Maintain PM's for stored Turbine parts
Maintain PM's for stored Feedwater heaters
Maintain PM's for POD components
Maintain chemical storage area inspection
Maintain control of specialty rigging (turbine and condensate motor)

EPU AI-604 Areas

11-039 Condensate motor storage 95' el. Turbine building
Suggest: Continue to maintain until motors need to be removed from the building

11-013 H.P. work station 145' el. turbine building
Suggest: Turn this area over to the plant

12-004 A-G H.P. & L.P. turbine parts stored on 145' el.
Suggest: maintain control of these areas

R16-Y059 Rail spur area
Suggest: maintain control of this area

110 building - cool room
Suggest: turn ownership of this area over to the station

REDACTED

EPU R17 Heavy Hauling Components										
EC number	Component	Quantity	L X W X H (ft)	Weight (lb / T)	Material delivery date	Storage Requirements	Storage location	Vendor	Spare	Remarks
74980	H.P. Turbine OLD									
	Rotor	1	27.5' L X 7' D	115,000 lb 58 T		shp as rad waste		BBC		
	Inner casing	2	5' X 7' X 5'	24,701 lb 12.5 T (ea)		shp as rad waste		BBC		
	Guide blade carriers	4	4' X 8' X 5'	18,596 lb 9.5T (ea)		shp as rad waste		BBC		
	Lower casing	2	13 X 23 X 11	103,617 lb 52 T		shp as rad waste		BBC		
	New									
	Rotor	1	27.5' L X 7' D	150,000 lb 75T	8/2/2011	protected from the weather	CR#3 Turbine Deck	Siemens		Monthly P.M.
	Inner casing	2	10' X 7' X 8'	26,000 lb 13 T (ea)	8/2/2011	protected from the weather	tent # 80	Siemens		Monthly P.M.
	Guide blade carriers upper and lower	4	4' X 10' X 6'	16,200 lb 8.1 T (ea)	8/2/2011	protected from the weather	tent # 80	Siemens		Monthly P.M.
	Inner Gland	2		3,200 lb (ea)	10/27/2011		145' el. turbine deck	Siemens		Monthly P.M.

REDACTED

EPU R17 Heavy Hauling Components										
EC number	Component	Quantity	L X W X H (ft)	Weight (lb / T)	Material delivery date	Storage Requirements	Storage location	Vendor	Spare	Remarks
73794	L.P. Turbine OLD									
	Rotor	2	27' X 15' dia.	246,917 lb 123 T		store on site as rad waste		BBC		
	Upper Casing	2	11' X 20' X 12'	81,571 lb 41T		store on site as rad waste		BBC		
	lower casing w/blade carrier	2	12' X 22' X 9'	82T (ea)		store on site as rad waste		BBC		
	L.P. blade Carrier #1	4 upper (blades Included)	2 X 10 X 5 (ea)	6,900 lb 3.5 T (ea)		store on site as rad waste		BBC		
	L.P. blade Carrier #2	4 upper (blades Included)	6 X 16 X 8 (ea)	50,925 lb 26 T (ea)		store on site as rad waste		BBC		
	Exhaust cone	4 upper	1 x 17 X 8 (ea)	3,640 lb 2 T (ea)		store on site as rad waste		BBC		
	Jack Shaft LP1 / LP2	1	11' X 4' dia.			store on site as rad waste		BBC		
	Jack Shaft LP2 / Gen	1	4.5' X 4.5' dia.			store on site as rad waste		BBC		

REDACTED

EPU R17 Heavy Hauling Components										
EC number	Component	Quantity	L X W X H (ft)	Weight (lb / T)	Material delivery date	Storage Requirements	Storage location	Vendor	Spare	Remarks
	L.P. Turbine NEW									
	Rotor	2	36' X 17' *	353,000 lb 177 T *	6/12/2012	protected from the weather	145' Turbine deck	Siemens		Monthly P.M.
	Upper Casing	2	23' X 17' X 14' *	117,100 58 T *	4/15/2012	protected from the weather	145' Turbine deck	Siemens		Monthly P.M.
	* lower casings w/ blade rings and guide blade carriers installed	2	26' X 17' X 15' *	200,200 lb 100 T *	4/15/2012	protected from the weather	145' Turbine deck	Siemens		Monthly P.M.
	Guide blade #1	4 upper	13' X 4' X 7' *	13,000 lb (ea)	4/15/2012	protected from the weather	unit 4&5 ware house	Siemens		Monthly P.M.
	Blade rings 2 & 3	4 upper	18' X 4' X 10' *	21,000 lb (ea)	4/15/2012	protected from the weather	unit 4&5 ware house	Siemens		Monthly P.M.
	Jack Shaft LP1 / LP2	1	11'L X 4' dia.	20,000 lb	8/15/2012	protected from the weather	Tent 80	Siemens		Monthly P.M.
	Bull gear	1	70" X 70" X 16"	7,000 lb	4/15/2012	protected from the weather	unit 4&5 ware house	Siemens		Monthly P.M.

REDACTED

EPU R17 Heavy Hauling Components										
EC number	Component	Quantity	L X W X H (ft)	Weight (lb / T)	Material delivery date	Storage Requirements	Storage location	Vendor	Spare	Remarks
74527	<u>F.W. Booster Pump & Motor</u>									
	<u>OLD</u>									
	Motor	2	8' X 6' X 5' H	12,600 lb 6.5T		Scrap		E-M		
	Pump	2	7' X 6' X 5' H			Scrap		Byron Jackson		
	Base	2	17' X 6' X 1'H	approx 3,000 lb		Scrap		Byron Jackson		
	<u>NEW</u>									
	Motor	3	10' X 10' X 8'H	17,000 lb 8.5T	7/15/2012 new date 10/15/2012	Indoors need motor heater hooked up	tent 80	Sulzer	YES 1	
	Pump	2	12' X 8' X	18,000 lb	7/15/2012 new date 10/15/2012	Indoors protected from the weather	tent 80	Sulzer	YES 1 Rotating element	
	Base	2	6' X 22' X 4' H	8,000 lb	7/15/2012 new date 10/15/2012	protected from the weather	Rail spur	Sulzer		
	Lube oil skid	2	5' X 5' X 3'H		7/15/2012 new date 10/15/2012	Indoors protected from the weather	tent 80	Sulzer		

REDACTED

EPU R17 Heavy Hauling Components										
EC number	Component	Quantity	L X W X H (ft)	Weight (lb / T)	Material delivery date	Storage Requirements	Storage location	Vendor	Spare	Remarks
74527	<u>Main F.W. Pump</u>									
	OLD									
	Pump	2				Scrap		Flowserve		
	<u>NEW</u>									
	Pump w/ pipe extensions	2		11,400 lb.	3/5/2011	Indoors protected from the weather	tent 80	Sulzer	YES 1 Rotating Element	
	Pump Sole plates (2 per pump)	4		3,500 lb (ea)						
74526	<u>Condensate Pump CDP 1A/B</u>									
	OLD									
	Motor	2	8'H X 6' D	16,272 lb		Scrap		EM		
	mag coupling	2	7.5' H X 6' D	11T		Scrap				
	discharge head	2	7' H X 6'D	5,500 lb		Scrap				
	Pump	2	15' L *	10,400 lb		Scrap				NOTE: estimate wt. of pump shell 3,400 lb. * Add approx 5' for upper shaft
	<u>NEW</u>									
	Motor w/ adaptor plate	2	9.5' X 6' D	20,100 lb 10T	11/22/2011	Indoors motor heater hooked up	2 - 95' el. Turbine bldg	GE	YES 1	Motor Adaptor plate 1,820 lb's
	Discharge head	2	7' H X 6'D	8,810 lb	3/5/2012	protected from the weather	Tent 80	Flowserve		pump / motor coupling weight 300 lb's
	Pump	3	19' L X 4'D *	11,890 lb	3/5/2012	protected from the weather	Tent 80	Flowserve	YES 1 complete pump	* Add approx 5' for upper shaft.

REDACTED

EPU R17 Heavy Hauling Components										
EC number	Component	Quantity	L X W X H (ft)	Weight (lb / T)	Material delivery date	Storage Requirements	Storage location	Vendor	Spare	Remarks
73917	<u>FW Heater 2A/B</u>									
	<u>OLD</u>	2	54' X 6.5' Dia.	104,700 Lb. 52.5 T		scrap				
	<u>NEW</u>	2	53' X 6' Dia.	120,000 Lb. 60 T	on site 7/05/11	outside near the rail spur	rail spur area	Yuba		Monthly P.M.
80138	<u>FW Heater 3A/B</u>									
	<u>OLD</u>	2	45' X 6'- 10" Dia 9'-6" tall	141,600 Lb. 71 T		Scrap				
	<u>NEW</u>	2		approx 160,000 lb's	4/15/2012	outside near the rail spur				

EPU Contract and Purchase Order Closure:

Letter No. CNTR 13-0017 was issued to EPU Project vendors on February 7, 2013 to immediately place all work activities in a suspended status due to the decision to retire CR3. Charges were authorized to be incurred only with written approval by the Designated Representative (DR). Each vendor was requested to evaluate their contract or purchase order and (1) provide a detailed breakdown of unreimbursed costs through the date of suspension, (2) document any impact the suspension may have on the contract budget, (3) evaluate the possibility of equipment buy-backs or resale to other customers, and (4) provide any other pertinent recommendations or evaluations not specifically requested for the disposition of the CR3 EPU asset under contract or purchase order. Upon receipt of this information from the vendor, each vendor will be contacted individually to discuss the path forward for termination and closeout of the contract or purchase order.

Letter No. CNTR13-0016 (dated February 5, 2013) was issued to AREVA NP Inc. on February 6, 2013 to formally place Contract No. 101659, Work Authorization No. 84 immediately in a suspended status in accordance with Section 13(C) under the Master Contract. No further costs should be incurred under this contract as of the date of the notification.

Letter No. CNTR13-0018 was issued on February 7, 2013 to Siemens Energy requesting the same information from Siemens that was requested from other EPU Project vendors in Letter No. CNTR 13-0017. Additionally, Letter No. CNTR13-0018 requests Siemens Energy to work with the DR to close out the CR3 Turbine Generator Uprate Contract No. 145569, Work Authorization No. 50.

The plan for EPU contract and purchase order closeout is to work through each contract and purchase order individually to evaluate the cost effectiveness of the following options:

- Pay final invoice for services incurred through suspension date and close contract
- Terminate for convenience
- Terminate for cause (quality issues with procurement)
- Finish work and take delivery of component
- Finish work and leave component at vendor facility
- Do not complete work and negotiate settlement with vendor
- Explore equipment buy-backs for resale by vendor with vendor

Each DR will provide a recommendation for the most appropriate path forward based upon the status of the procurement and the financial costs incurred to date. Duke will evaluate these options and decide on the option to minimize EPU Project costs moving forward.

All major EPU contracts are identified in the "CR3 Retirement Suspension_Contracts Status 2 12 2013 spreadsheet (Attachment A)". EPU Project Contract Management will work with the Supply Chain group on closing out all major equipment component contracts. Contract closures needing assistance from Supply Chain have been initially identified in Attachment A.

REDACTED

Attachments:

Letter No. CNTR13-0016

Letter No. CNTR13-0017

Letter No. CNTR13-0018

EPU Contracts Spreadsheet

EPU Purchase Order Spreadsheet

February 5, 2013

Letter No. CNTR13-0016

AREVA NP Inc.
7207 IBM Drive
Charlotte, NC 28262

Attention: Ray Stewart

Subject: Contract Work Authorization Suspension Notice

Reference: Progress Energy Contract No. 101659, Work Authorization No. 84

Dear Mr. Stewart,

In accordance with Section 13(C) under the Master Contract No. 101659, Owner is hereby suspending all Work associated with Work Authorization No. 84. In accordance with this suspension notice, all efforts related to Work Authorization No. 84 including any further design and engineering activities previously authorized or currently scheduled under the aforementioned Contract shall be suspended immediately until further notice from Owner. No further design or engineering costs shall be incurred by Owner as of the date of this notification.

Thank you for your prompt attention to this request. Please feel free to contact me at (352) 563-2943 ext. 1048 with any questions regarding notification.

Sincerely,



Larry Sexton
Extended Power Uprate (EPU) Project
Designated Representative

cc:

Paul Ingersoll - PE
Ted Williams - PE

Jay Outcalt - PE

Shannon Frazier - PE



February 7, 2013

Letter No. CNTR13-0017

To: All Progress Energy Florida (Duke Energy) Extended Power Uprate (EPU) Vendors

From: Paul Ingersoll, Manager Major Projects (EPU)

Subject: Suspension Notice for all Work under your EPU Contract(s)

Progress Energy Florida (Duke Energy), hereinafter referred to as "Owner", has publicly announced its decision to retire the Crystal River 3 Nuclear Plant located in Citrus County, FL. This letter is being provided as formal notification of the suspension of all Work activities provided under your Contract(s) with Owner in support of the EPU project. All Work activities are defined in the Contract and include but are not limited to the following: design, engineering, manufacturing, procurement, construction, and services. All work activities should be suspended immediately, effective as of the date of this letter and no charges shall be incurred beyond the effective date of this letter unless authorized in writing by Owner's Designated Representative.

Owner will contact each vendor individually in the coming months to discuss the path forward regarding possible completion of Work or termination of the Contract. Please start evaluating your Contract for the following:

- Prepare a detailed breakdown of unreimbursed costs incurred through the date of suspension.
- Evaluate and document if the suspension has any impact to the contract budget.
- Evaluate the possibility of equipment buy backs and explore if equipment can be resold to other customers. Due to the retirement we are highly interested in exploring any proposals that limit financial expenditures.
- Provide any other pertinent recommendations or evaluations not specifically requested, but deemed useful.

Thank you for your prompt attention to this request. Please feel free to contact the Designated Representative (DR) identified in your Contract if you have any questions regarding this suspension notice. You may also contact Jay Outcalt (352-563-2943 x4246) or Shannon Frazier (352-563-2943 x4237) in the contract management office.

Sincerely,

Paul Ingersoll
Manager, Extended Power Uprate Project

February 7, 2013

Letter No. CNTR13-0018

To: Mr. Ralph Menning, Siemens Energy

From: Jay Outcalt, Major Projects Contracts Manager

Subject: Suspension Notice for all Work under EPU Contract No. 145569-50

Progress Energy Florida (Duke Energy), hereinafter referred to as "Owner", has publicly announced its decision to retire the Crystal River 3 Nuclear Plant located in Citrus County, FL. This letter is being provided as formal notification of the suspension of all Work activities provided under your Contract(s) with Owner in support of the EPU project. All Work activities are defined in the Contract and include but are not limited to the following: design, engineering, manufacturing, procurement, construction, and services. All work activities should be suspended immediately, effective as of the date of this letter and no charges shall be incurred beyond the effective date of this letter unless authorized in writing by Owner's Designated Representative.

Owner will contact Siemens to discuss the path forward regarding possible completion of Work or termination of the Contract. Please start evaluating your Contract for the following:

- Prepare a detailed breakdown of unreimbursed costs incurred through the date of suspension.
- Evaluate and document if the suspension has any impact to the contract budget.
- Evaluate the possibility of equipment buy backs and explore if equipment can be resold to other customers. Due to the retirement we are highly interested in exploring any proposals that limit financial expenditures.
- Provide any other pertinent recommendations or evaluations not specifically requested, but deemed useful.

Owner requests to work with Siemens Energy to close out the CR3 Turbine Generator Uprate Contract No. 145569-50. Please contact the Designated Representative (DR) to discuss scheduling a meeting to review contract closure requirements. Thank you for your prompt attention to this request.

Sincerely,



Jay Outcalt
Contracts Manager

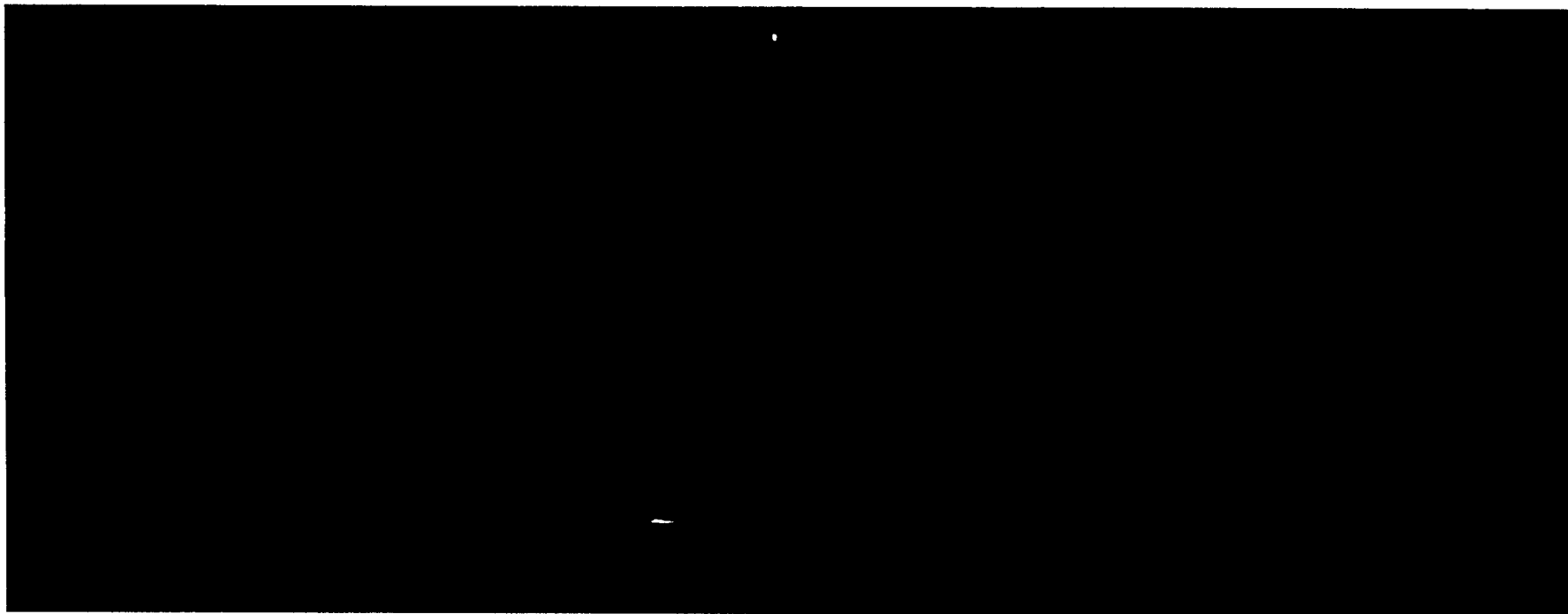
REDACTED

Docket No. 130009-EI
Duke Energy Florida, Inc.
Exhibit No. ____ (GM-3)
Page 23 of 58



REDACTED

Docket No. 130009-EI
Duke Energy Florida, Inc.
Exhibit No. ____ (GM-3)
Page 24 of 58



EPU Project Document Closure

Currently, there are EPU Project Engineering Change (EC) packages and Work Orders ("WO's") in development or ACTIVE with either field work completed or no field work completed. To maintain the information contained in these EC packages on the system the EC packages will remain open on the system with the following recommended notations to indicate and preserve the current status of the ECs and WOs.

Recommendation:

For ECs with no field work or documentation updates performed, regardless of EC status

- Place a statement in the Topics Notes portion of the EC with the following information
 - Reason for not implementing mod (i.e. SAFSTOR)
 - No documentation updates performed
 - No field work performed
 - The EC is not required to support spent fuel cooling
 - The EC is not part of a previous commitment
 - Regulatory commitment
 - CAP corrective action
 - Nuclear Tracking Mechanism, (NTM) to Supervisor, Materials Acquisition to disposition any materials purchased in association with this EC (NOTE: 0005 currently requires RE to provide disposition)
- Obtain Operations concurrence (documented via email included in Topic Notes)
- Notify key stakeholders of pending cancellation (EC originator, sponsor, system engineer, program engineer)
- Indicate who in Planning was notified to cancel any WO's initiated.
- Leave EC as-is.

For ECs with field work and/or documentation updates performed

- Place a statement in the Topics Notes portion of the EC with the following information
 - Reason for not implementing mod (i.e. SAFSTOR)
 - Status of documentation updates, if any
 - Status of field work performed, if any
 - The EC is not required to be fully implemented to support spent fuel cooling
 - The EC is not part of a previous commitment
 - Regulatory commitment
 - CAP corrective action
 - NTM to Supervisor, Materials Acquisition to disposition any materials purchased in association with this EC (NOTE: 0005 currently requires RE to provide disposition)
- Obtain Operations concurrence (documented via email included in Topic Notes)

REDACTED

- Do nothing more until a process is developed to permit cancellation without reversing document updates or field work, or performing a “partial implementation” (perhaps a new PassPort status, such as “SAFSTOR”)
 - IF all of the above requirements cannot be met, THEN leave EC as-is until the relevant issue is resolved (Regulatory or CAP commitment, for example), and wait for the applicable process to be in place to abandon the EC
 - IF decided to NOT close/Cancel ECs, THEN the DTO will implement any EC changes as dictated by the decommissioning Program Manual yet to be developed.

The attachment for ECs that follows, shows ECs that have been previously Cancelled and are not part of the remaining ECs to be considered for closure or cancellation. They are provided here for project documentation completeness.

Attachments:

DC01 List of EPU ECs and Passport Status
DC02 EPU EC Screening Categories
DC03 EPU WO Task Closeout

LIST OF EPU ECs and PASSPORT STATUSECs in "ACTIVE", "APPROVED", "ASSIGNED" or "MODIFIED" Status

EC 68886 Deaerator Bypass and Re-Rate Implementation - Passport Status "*ASSIGNED*"
EC 68887 MSR Drains Heat Exchanger Specification - Passport Status "*ACTIVE*"
EC 68888 MSR Drains Heat Exchanger Implementation - Passport Status "*ASSIGNED*"
EC 68890 Iso-phase Bus Duct Cooling System Replacement Implementation - Passport Status "*ACTIVE*"
EC 68925 SCHE-1A/1B Replacement Implementation - Passport Status "*ACTIVE*"
EC 68964 CDHE-3A/3B Replacement Implementation - Passport Status "*ACTIVE*"
EC 69026 Heater Drain Valve and Flow Transmitter Replacement Implementation - Passport Status "*ACTIVE*"
EC 69088 SCP-1A/1B Impellor and Motor Upgrade Implementation - Passport Status "*ACTIVE*"
EC 69172 Piping replacement upstream of HP Reheater Drain Tank Valves - Passport Status "*MODIFIED*"
EC 69196 MSR Replacement for EPU - Passport Status "*ACTIVE*"
EC 69197 Main Generator and Exciter Replacement - Passport Status "*ACTIVE*"
EC 69198 ICS Scaling and Function Curves for Exiting 16R - Passport Status "*ACTIVE*"
EC 70653 Leading Edge Flowmeter RTD Software Upgrade - Passport Status "*ACTIVE*"
EC 70732 Emergency Feedwater System Upgrades for EPU Implementation - Passport Status "*ASSIGNED*"
EC 71057 TB Fiber Optic Communication Backbone for EPU - Passport Status "*ASSIGNED*"
EC 71192 Overall Evaluation of Upgrades for Implementation Exiting 16R - Passport Status "*ACTIVE*"
EC 71193 Overall Margin Implementation - Passport Status "*ASSIGNED*"
EC 71369 ICS Scaling and ICS Run-Back and AULD Implementation - Passport Status "*ASSIGNED*"
EC 71757 TBV Replacement for EPU - Passport Status "*ACTIVE*"
EC 71855 ADV and FCS Implementation - Passport Status "*ASSIGNED*"
EC 72556 Removal of Loop Test Equipment – TB TPower Interface - Passport Status "*ASSIGNED*"
EC 73157 Condensate Pump and Motor Specification - Passport Status "*ACTIVE*"
EC 73351 Feedwater Booster Pump and FWV014/15 Specification - Passport Status "*ASSIGNED*"
EC 73794 Low Pressure Turbine Implementation - Passport Status "*ACTIVE*"
EC 73907 ADV Specification - Passport Status "*APPROVED*"
EC 73917 FWHE-2A/2B Heater Upgrade and BOP Piping Replacement - Passport Status "*ACTIVE*"
EC 73932 LPI Cross Tie Specification - Passport Status "*ASSIGNED*"
EC 73934 LPI Cross Tie Implementation - Passport Status "*ACTIVE*"
EC 74526 Condensate Pump and Motor Implementation - Passport Status "*ACTIVE*"
EC 74527 Feedwater Booster Pump and FWV014/15 Implementation - Passport Status "*ACTIVE*"

EC 74873 Safety Related Motor Operated Valves Specification - Passport Status "ACTIVE"
EC 74980 High Pressure Turbine Installation - Passport Status "ACTIVE"
EC 75004 Qualification and Preparation of ROTSG for EPU - Passport Status "APPROVED"
EC 75659 Makeup Tank Bypass Line Implementation - Passport Status "APPROVED"
EC 76095 Safety Related Main Steam System Pipe Supports and Whip Restraints - Passport Status "ASSIGNED"
EC 76339 17R Heavy Haul Path for EPU - Passport Status "ACTIVE"
EC 76340 Inadequate Core Cooling Implementation - Passport Status "ASSIGNED"
EC 76341 Low Pressure Turbine Supervisory Equipment for EPU - Passport Status "APPROVED"
EC 76344 Pipe Vibration Monitoring Penetration 304 Fiber Optic Feed-through - Passport Status "APPROVED"
EC 77337 Inadequate Core Cooling Specification - Passport Status "ACTIVE"
EC 77901 FWHE 2A/2B Removal Path - Passport Status "APPROVED"
EC 78021 Main Feedwater Pump Implementation - Passport Status "ACTIVE"
EC 78022 Main Feedwater Pump Specification - Passport Status "ACTIVE"
EC 79352 High Pressure Injection Modification - Passport Status "APPROVED"
EC 79610 ICCMS Main Control Board Modification for EPU - Passport Status "APPROVED"
EC 80137 ICCMS Core Exit Thermocouple Conduit & Cable Routing - Passport Status "APPROVED"
EC 80138 FWHE-3A/3B Feedwater Heater Replacement - Passport Status "APPROVED"
EC 80238 PORV Acoustical Monitoring Relocation for ICCMS - Passport Status "APPROVED"
EC 80348 FWHE-3A/3B Feedwater Heater Replacement Specification - Passport Status "ACTIVE"

ECs in "REGISTER" Status

EC 85409 5KV Calvert Non-Segregated Bus Replacement - Passport Status "REGISTER"
EC 84511 RCS Hot Leg Blow Down Line - Passport Status "REGISTER"
EC 75574 SPDS Plant Computer Simulator Updates Implementation - Passport Status "REGISTER"
EC 81092 ADV FCS Override - Passport Status "REGISTER"

ECs in "CLOSED" or "CANCELED" Status (No Action Needed)

EC 80056 Evaluation of Plant Instrumentation for EPU Impact - Passport Status "CLOSED"
EC 76342 FWHE-3A/3B Re-sleeve for EPU - Passport Status "CANCELED"
EC 75051 LAR Section 2.2 Supporting Evaluations for EPU - Passport Status "CANCELED"
EC 78383 Disposition of Events at 2609 for Extended Power Uprate Contingency - Passport Status "CANCELED"
EC 68766 CDHE-3A/3B Replacement for EPU Specification - Passport Status "CLOSED"
EC 68767 SCHE-1A/1B Replacement for EPU Specification - Passport Status "CLOSED"
EC 76097 Non-Safety Main Steam System Pipe Supports and Whip Restraints - Passport Status "CANCELED"
EC 73910 TB Diagonal Brace Modification to Support Installation of SCHE-1B for EPU - Passport Status "CLOSED"

REDACTED

EC 74996 Installation of Aux Steam Bypass Line from Unit 1 & 2 Supply - Passport Status
"CANCELED"

EC 73933 EFP Replacement Specification - Passport Status "CANCELED"

EC 74816 Turbine Area Pit Platform Repairs - Passport Status "CANCELED"

EC 75001 AULD Upgrade for New EPU Condition for 17R - Passport Status "CANCELED"

EC 73835 Deaerator Bypass and Replacement Specification - Passport Status "CANCELED"

EC 73476 Installation of New Primary Met Tower and Instrumentation - Passport Status
"CLOSED"

EC 71194 TB Crane Upgrade for EPU - Passport Status "CLOSED"

EC 70656 Turbine building Structural Modifications Resulting from Static Eval - Passport Status
"CANCELED"

EC 70657 Heavy Haul Path Evaluation for EPU - Passport Status "CANCELED"

EC 71191 TB TPower Interface for EPU - Passport Status "CLOSED"

EC 70151 Turbine Building (Static) Structural Evaluation for EPU - Passport Status
"CANCELED"

EC 70454 Turbine Building (Dynamic) Structural Evaluation for EPU - Passport Status
"CANCELED"

EC 68889 Iso-Phase Bus Duct Cooling System Replacement Specification - Passport Status
"CLOSED"

EPU EC SCREENING CATEGORIESCategory A – Implemented and Partially Turned Over

These ECs were installed in the plant prior to 2/5/2013 when the retirement of Crystal River 3 was announced. Installation, testing and Return to Operations (RTO) have been performed; however, the modification was awaiting plant start-up to complete testing, turnover and closeout. Plant documents and procedures have been updated and as-built and the Equipment Database (EDB) has been updated. Passport status is “ACTIVE.”

Category B – EC Package Development Complete, but not Implemented

These ECs were approved through Revision 0 as of 2/5/2013 when the retirement of Crystal River 3 was announced. Even though approved, package most likely has planned revisions, open items, or caveats that must be satisfied before EC could be implemented. All work was stopped and any outstanding or pertinent information and documentation added to the world folder. No modifications have been made to the plant, no documents have been updated and no changes have been made to the EDB. Passport status is either “APPROVED” or “ACTIVE.”

Category C – EC Package Development In-Process

These ECs were still being developed as of 2/5/2013 when the retirement of Crystal River 3 was announced. All work was stopped and any pertinent information and documentation added to the world folder. No modifications have been performed in the plant, no documents have been updated and no changes have been made to the EDB. Passport status is “REGISTER.”

Category D – MODIFIED modifications:

These ECs have been installed in the plant with all testing, turnover and closeout complete. Plant documents and procedures have been updated and as-built and the Equipment Database (EDB) has been updated. Passport status is “MODIFIED.”

NOTES:

The text above can be added to the “Topic Notes” tab in Asset Suite regardless of the current EC status (i.e. “Topic Notes” can be updated for “APPROVED” ECs without a revision). In addition to adding the paragraph to the “Topic Notes” tab, the EC title should include “Retired, See Topic Notes.” Should also consider entering “Retired” or something similar into one of the “Keyword” fields.

Other considerations include rolling an administrative revision to add a folder titled “Retirement Folder” to place all additional information that may be useful at a later date. Also, the “Native File” folder currently protected in CR Projects DCC could be added. Processing and approving an administrative revision would put the folder in a protected condition and preserve the integrity of the EC. Should also consider freezing all in-process ECs to protect the folder, if possible. If not, should construct EC in a way that allows advancing to “APPROVED” status (i.e. include a planned revision) to ensure its integrity.

EC packages should not be CANCELLED because all folders and supporting documentation would be deleted per the requirements of EGR-NGGC-0005 and would be lost forever.

EPU WO TASK CLOSEOUT

NOTES:

1. All tasks that are in the *WORKING* status in *PassPort* cannot be cancelled until the hard copy is obtained and turned in to *CR3 Projects Document Control*.
2. After thorough evaluation, we have concluded that **NO EPU EC Work Order Tasks** are to remain open.
3. *Open Facilities Work Orders* and receipt of materials/components *Work Orders* should be evaluated by *Paul Chadourne* or *Hoyt Koon* for disposition.

EC#/ WO & Task(s)	ACTION	Reason
<u>EC 68925 SC Heat Exchanger Replacement</u>		
68925 / 1457928-20,21	Cancel Tasks	ISLT will not be performed
68925 / 1457928-47,48,51,56 & 57	Cancel Tasks	PMT Will not be performed
68925 / 1457929-50	Cancel task	Admin Closeout not needed.
68925 /1642877-01	Cancel Task	Work will not be performed
<u>EC 69196 MSR Replacement</u>		
69196 / 1326562-12,28,34,45,92	Cancel Tasks	PMT and Admin Closeout will not be performed.
69196 / 1288186-01	Cancel Task	No additional Materials needed
69196 / 1326563-10,29,43	Cancel Tasks	PMT and Admin Closeout will not be performed.
69196 / 1326565-09,13,32	Cancel Tasks	PMT and Admin Closeout will not be performed.
69196 / 1326566-16,29,66	Cancel Tasks	PMT and Admin Closeout will not be performed.
69196 / 1392487-09,10	Cancel Tasks	PMT and Admin Closeout will not be performed.

69196 / 1611392-16	Cancel Task	PMT will not be performed.
<u>EC 68886 Deaerator Bypass</u>		
68886 / 1284340-01,02,03,04,05,06,07,08,09,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52	Cancel Tasks	No work will be performed
<u>EC 69197 Gen Exciter Replacement</u>		
69197 / 1533670-01,26,29,33,37,38,39	Cancel Tasks	Siemens will not perform work
<u>EC 70732 Emer. Feedwater Pmp Repl</u>		
70732 / 1720441-01,02,03,04,05,08,09,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,60	Cancel Tasks	Work will not be performed
<u>EC 71193 Evaluations Of Upgrades Exiting 17R</u>		
71193 / 1860754-01	Cancel Task	Material not needed
<u>EC 71369 ICS Scaling</u>		
71369 / 1720442-01,02,03,04,05,06,07,08,09,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48	Cancel Tasks	Work Will Not Be Performed
<u>EC 71757 Turbine Bypass Valve Replacement</u>		
71757 / 1447463-78,82,90,92,94,95	Cancel Tasks	PMT Will Not Be Performed
NO EC / 1645450-01,09,10,12	Cancel Tasks	Work Will Not Be Performed
<u>EC 71855 ADV Replacement</u>		
71855 / 1720301-01,02,03,04,05,06,07,08,09,10,11,12,13,14,15,16,17,18,19,20,21,24,25,26,27,28,30,31,32,33,34,35,36,37,38,39,40,41,42,44,45,46,47,48,50,51,52,53,54,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,73,74,75	Cancel Tasks	Work Will Not Be Performed
71855 / 1721407-01,02,04,05,06,07,08,09,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,	Cancel Tasks	Work Will Not Be

29,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45, 46,47,48,49,50,51,52,53,54,55,56,57,58		Performed
71855 / 2134401-01,02,03,04,05,06,07,08,09,10,11, 12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27, 28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43, 44,45,46,49,50,51,52	Cancel Tasks	Work Will Not Be Performed
<u>EC 73794 Low Pressure Turbine Replacement</u>		
73794 / 1725120-01,02,03,04,06,07,08,10,11,12,13, 14,15,16,17,18,19,20,21,22,23,27,28,29,30,31,32,33	Cancel Tasks	Work Will Not Be Performed
<u>EC 73917 FWHE 2 A/B Replacement</u>		
73917 / 1720443- 01,02,03,05,06,07,08,09,10,11,12,13,14,15,16,17,18, 19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35	Cancel Tasks	Work Will Not Be Performed
73917 / 1817310-01,02,03,04,05,06,07,08,09,10,11, 12,13,14,15,16,17,18,19,20,21,22,23,24,25,26	Cancel Tasks	Work Will Not Be Performed
73917 / 1948957-01,02,03,04,05,06,07,08,09,10,11, 12,13,14,15,16,17,18,19,20,21,22	Cancel Tasks	Work Will Not Be Performed
<u>EC 73930 NIT R17 Changes to Plant CPU</u>		
73930 / 1927269-01	Cancel Tasks	Material Not Needed
73930 / 1580244-01,02	Cancel Tasks	Work Will Not Be Performed
<u>EC 73934 LPI Cross-Tie for EPU</u>		
73934 / 1720444-01,03,04,05,06,07,08,09,10,11,12, 13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29, 30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46, 47,48,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63, 64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80, 81,82,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97, 98,99	Cancel Tasks	Work Will Not Be Performed
73934 / 2091698-01,02,03,04,05,06,07,08,09,10,11, 12,13,14,15,16,17,18,19,20,21,22,23,24,25,26	Cancel Tasks	Work Will Not Be Performed
<u>EC 74526 Condensate Pump & Motor Replacement</u>		
74526 / 1720448-01,02,03,04,05,06,07,08,09,10,11, 12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28, 29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45, 46,47,48,49,50,51,52,53	Cancel Tasks	Work Will Not Be Performed

74526 / 1721410-01,02,03,04,05,06,07,08,09,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,29,30,31,32,33,34,35,36,37,38,39,40,41,42	Cancel Tasks	Work Will Not Be Performed
<u>EC 74527 FW Booster Pump Replacement</u>		
74527 / 1720447-01,02,03,04,06,07,08,09,10,11,12,13,14,15,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41	Cancel Tasks	Work Will Not Be Performed
74527 / 1817266-01,02,03,04,05,06,07,08,09,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27	Cancel Tasks	Work Will Not Be Performed
74527 / 1817273-01,02,03,04,06,08,10,11,12,13,14,15,16,17,18,19,20,21,22,23	Cancel Tasks	Work Will Not Be Performed
74527 / 1817274-01,02,03,04,06,08,10,12,13,14,15,16,17,18,19,20,21,22	Cancel Tasks	Work Will Not Be Performed
74527 / 1921153-01	Cancel Task	Material Not Needed
<u>EC 74980 High Pressure Turbine Replacement</u>		
74980 / 1720445-01,03,04,05,06,07,08,09,10,11,12,13,14,15,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44	Cancel Tasks	Work Will Not Be Performed
74980 / 1940686-01,02,03,04,05	Cancel Tasks	Work Will Not Be Performed
<u>EC 75001 AULD Upgrade for EPU Conditions</u>		
75001 / 1720449-01,02	Cancel Tasks	Work Will Not Be Performed
75001 / 1720450-01,02	Cancel Tasks	Work Will Not Be Performed
<u>EC 75004 ROTSG at EPU Conditions</u>		
75004 / 1720446-01,02,03,04,05	Cancel Tasks	Work Will Not Be Performed
<u>EC 75574 Implement NIT R17 for EC 73930 & 75574</u>		
75574 / 1580244-01,02	Cancel Tasks	Work Will Not Be Performed
75574 / 1720572-01,02	Cancel Tasks	Work Will Not Be Performed

<u>EC 75659 Make-up Tank Bypass</u>		
75659 / 1753016- 01,02,03,04,05,06,07,08,09,10,11,12,14,15,16,17,18, 19,20,21,22	Cancel Tasks	Work Will Not Be Performed
<u>EC 75814 Core Reload R-18</u>		
75814 / 1927270-01	Cancel Task	Work Will Not Be Performed
<u>EC 76095 Main Steam Pipe Supports</u>		
76095 / 1783778-01,02,03,04,06,07,08,10,11,12,13, 14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30, 31,32,33,35,36,37,38,39,40,41,42,43,44,45,46,47,48, 49,50,51,52,53	Cancel Tasks	Work Will Not Be Performed
<u>EC 76340 Inadequate Core Cooling Mitigation</u>		
76340 / 1860773-01,02	Cancel Tasks	Work Will Not Be Performed
76340 / 2134401- 01,02,03,04,05,06,07,08,09,10,11,12,13,14,15,16,17, 18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34, 35,36,37,38,39,40,41,42,43,44,45,46,49,50,51,52	Cancel Tasks	Work Will Not Be Performed
<u>EC 76341 L.P. Turbine Supervisory Equip.</u>		
76341 / 1860770-01,02,03,04,05,06,07,08,09,10,11, 12,13,14,15,16,17,18,19,20,21	Cancel Tasks	Work Will Not Be Performed
<u>EC 76343 ICS Run Back Mod</u>		
76343 / 1860786-01	Cancel Task	Work Will Not Be Performed
<u>EC 76344 Install Fiber Optic Feed through, Pen 304</u>		
76344 / 1860768-01,02,03,04,05,06	Cancel Task	Work Will Not Be Performed
<u>EC 77901 FWHE 2A/B FW Heater Removal Path</u>		
77901 / 1842414-01,02,03,04,05,06,07,08,09,10,11, 12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28, 29,30,32,33,34,35,36,37,38,39,40	Cancel Task	Work Will Not Be Performed
<u>EC 78021 Main FW Pump Upgrade</u>		

78021 / 1817281-01,04,05,06,07,08,09,11,14,15,16,17,18,19,20,21,22,23,24,25	Cancel Task	Work Will Not Be Performed
<u>EC 79352 HPI High Pressure Injection</u>		
79352 / 1862734-01,02,03,04,05,06,07,08,09,10,11,12	Cancel Task	Work Will Not Be Performed
<u>EC 78383 Events @ 2609 MWT</u>		
78383 / 1927272-01	Cancel Task	Work Will Not Be Performed
<u>EC 79610 ICCMS Main Control Board Mods</u>		
79610 / 1927273-01,02,03,04,05,06,07,08,09,10,11,12,13	Cancel Task	Work Will Not Be Performed
<u>EC 80137 ICCMS Core Exit T/C Conduit/Cable</u>		
80137 / 1927274-01,02,03,04,05,06,07,08,09,10	Cancel Task	Work Will Not Be Performed
<u>EC 80138 FWHE 3A/B Heater Replacement</u>		
80138 / 1816899-01,02,03,04,05,06,07,08,09,10,11,12,13,14,15,16,17,18,19,20,22,23	Cancel Task	Work Will Not Be Performed
80138 / 1817336-01,02,03,04,05,06,07,08,09,10,11,12,13,14,15	Cancel Task	Work Will Not Be Performed
<u>EC 80238 PORV Acoustic Monitor Reloc. for ICCMS</u>		
80238 / 1933598-01,02,03,04,05,06,07,08,09	Cancel Task	Work Will Not Be Performed
<u>EC 81092 Atmospheric Dump Valve Override</u>		
81092 / 1927276-01	Cancel Task	Work Will Not Be Performed
<u>EC 84511 RCS Hot Leg Blow Down Line</u>		
84511 / 2121920-01,02,03,04,05,06,07,08,09,10,11,12,13,14,15,16,17	Cancel Task	Work Will Not Be Performed
<u>POD (NO EC)</u>		
POD / 1873909-01	Cancel Task	Work Will Not Be Performed
<u>EC 69172 Piping Replacement upstream of High Pressure Reheater Drain Tank Dump Valves</u>		
69172 / 1288182-20	Cancel Task	Work Will Not Be Performed

<u>EC 69026 Heater Drain Valve Replacement</u>		
69026 / 1284521-58,59,60,62	Cancel Task	Work Will Not Be Performed
69026 / 1482433-21	Cancel Task	Work Will Not Be Performed
<u>EC 68888 MSR Belly Drains Heat Exchangers</u>		
68888 / 1181265-59,60,61,63,68,69,80,81	Cancel Task	Work Will Not Be Performed
68888 / 1374195-68,72,79	Cancel Task	Work Will Not Be Performed
<u>EC 68964 Condensate Heater Replacement</u>		
68964 / 1181263-50,51,59,72,75	Cancel Task	Work Will Not Be Performed
68964 / 1320761-71,72,73,81,90	Cancel Task	Work Will Not Be Performed
<u>EC 69088 SC Bypass Line</u>		
69088 / 1407407-28,37	Cancel Task	Work Will Not Be Performed
<u>EC 74996 Aux Steam Bypass Line from Unit 1 & 2 Supply</u>		
PHASE 2 / 1649174-15	Cancel Task	Work Will Not Be Performed
<u>EC 69197 Turbine Generator & Exciter Replacement & Lube Oil Cooler Tube Bundle Replacement</u>		
69197 / 1288189-08,10,16,70,71,81,82,84,87	Cancel Task	Work Will Not Be Performed
69197 / 1407416-02,35	Cancel Task	Work Will Not Be Performed
<u>EC 69198 ICS Scaling and Function Curves Exiting 16R</u>		
69198 / 1360853-02,06	Cancel Task	Work Will Not Be Performed
<u>EC 71192 Overall Evaluation of Upgrades Exiting R16</u>		
71192 / 1695263-01	Cancel Task	Work Will Not Be Performed
<u>EC 71057 T.B. Fiber Optic Comm. Backbone</u>		
71057 / 1418596-01	Cancel Task	Work Will Not Be Performed
<u>Facilities- Phase 2</u>		

REDACTED

Fac. Phase 2 / 1447463-78,82,90,92,94,95	Cancel Tasks	Work Will Not Be Performed
Fac. Phase 2 / 1439769-03,05,06,08,10,11	Cancel Tasks	Work Will Not Be Performed
Fac. Phase 2 / 1439770-04,05,09,10	Cancel Tasks	Work Will Not Be Performed
Fac. Phase 2 / 1439772-02,03,04,05	Cancel Tasks	Work Will Not Be Performed
Fac. Phase 2 / 1439773-02,05,06,08,11	Cancel Tasks	Work Will Not Be Performed
Fac. Phase 2 / 1439774-03,05,06	Cancel Tasks	Work Will Not Be Performed
Fac. Phase 2 / 1462118-05	Cancel Task	Work Will Not Be Performed
Fac. Phase 2 / 1462123-03,08,09,10	Cancel Tasks	Work Will Not Be Performed
Fac. Phase 2 / 1462124-01,02,07,08	Cancel Tasks	Work Will Not Be Performed
Fac. Phase 2 / 1462126-13	Cancel Task	Work Will Not Be Performed
Fac. Phase 2 / 1462130-01,02,03,04,05	Cancel Tasks	Work Will Not Be Performed
Fac. Phase 2 / 1462131-03,04,05	Cancel Tasks	Work Will Not Be Performed
Fac. Phase 2 / 1466597-06,08	Cancel Tasks	Work Will Not Be Performed

Financials

The EPU Project budget forecast for 2013 has been revised to incorporate the release of contract personnel, the reassignment of permanent employees to CR3 Station O&M, and the final invoicing and contract milestone payments for EPU Project vendor services and long lead equipment. There are only 3 personnel, the EPU Manager, the EPU Project Manager, and the EPU Project Specialist remaining on the EPU budget to handle EPU Project closeout activities and coordination with corporate and CR3 Station organizations for turnover of documents, contracts, and materials/long lead equipment for final disposition. The turnover of these activities is expected at this time to be complete by the end of May, 2013.

The EPU Project budget forecast for 2013 has been reduced from approximately \$25M Direct View to approximately \$12M Direct View. The revised budget forecast includes the original budget through February 2013, and the anticipated payments for all outstanding invoices and milestone payments. The Siemens turbine generator contract closeout costs are anticipated to be approximately [REDACTED]. The Scientech contract closeout costs for the Inadequate Core Cooling Mitigation System, ICCMS are approximately [REDACTED]. The AREVA contract closeout costs are anticipated to be approximately [REDACTED] for 2013. Engineering, Licensing, and implementation support are estimated at [REDACTED]. The remaining [REDACTED] are for the long lead equipment (approximately [REDACTED] and miscellaneous project controls, support, and activities.

Attachment:

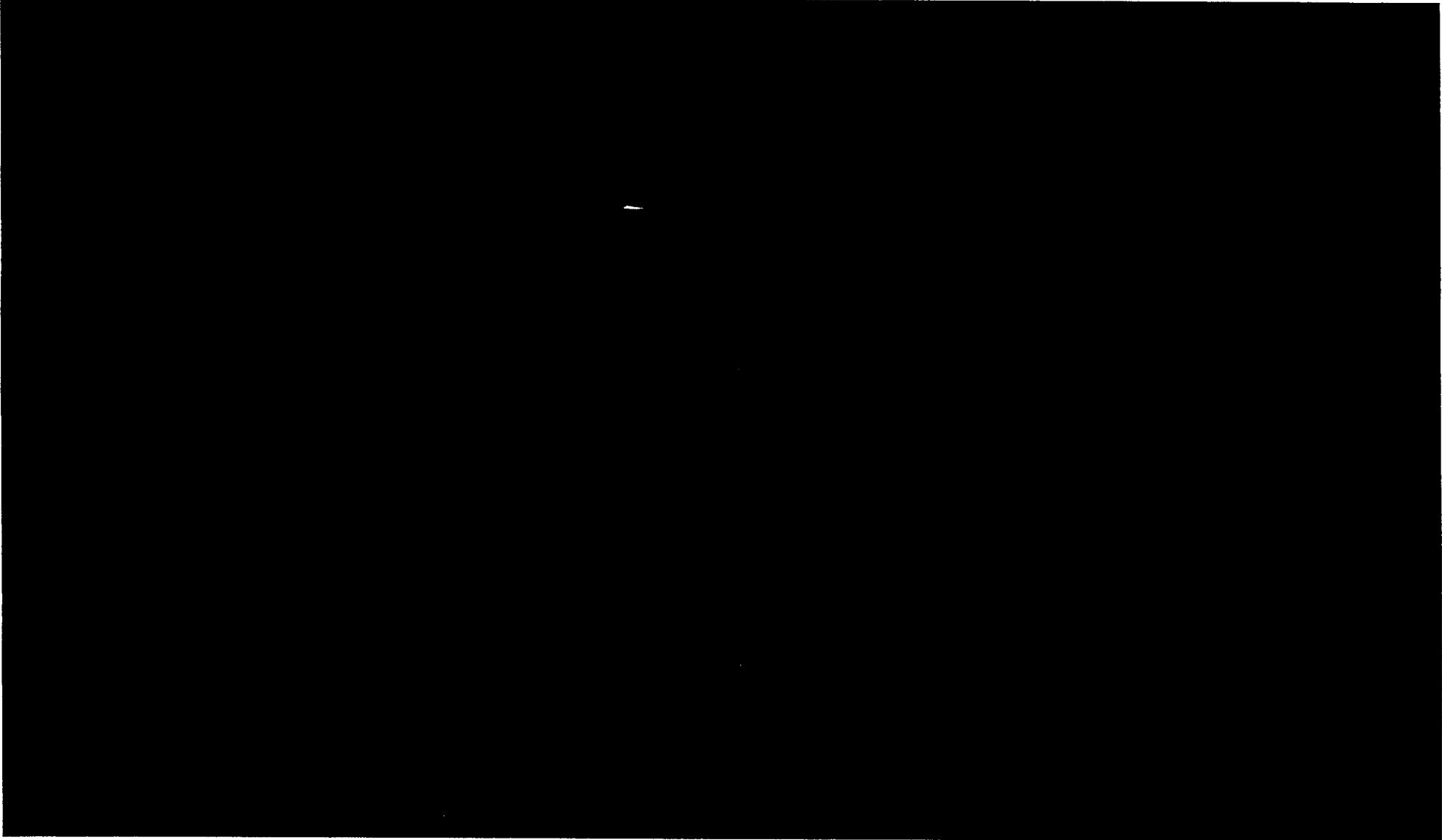
CR3 EPU Projection Template
CR3 EPU Monthly Report Jan 2013



Company Confidential

PROGRESS ENERGY FLORIDA (60)
CR3 EPU - Summary by CLASS/WBS Phase (Direct View)
Project Closeout Projection

Docket No. 130009-EI
Duke Energy Florida, Inc.
Exhibit No. _____ (GM-3)
Page 40 of 58





PROGRESS ENERGY FLORIDA (60)
CR3 EPU - Summary by CLASS/WBS Phase (Direct View)
Project Closeout Projection

Docket No. 130009-EI
Duke Energy Florida, Inc.
Exhibit No. _____ (GM-3)
Page 41 of 58

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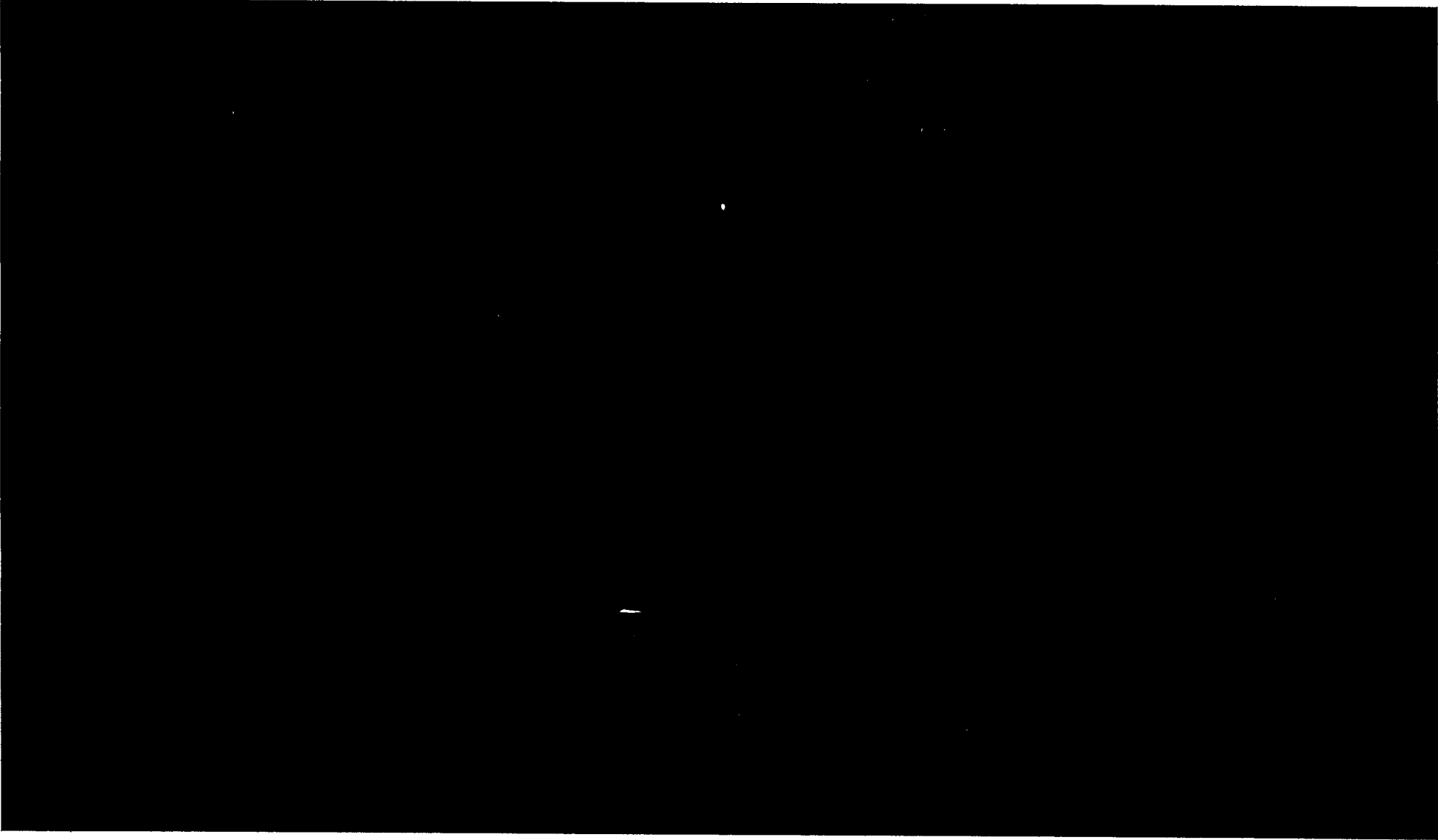




Company Confidential

PROGRESS ENERGY FLORIDA (60)
CR3 EPU - Summary by CLASS/WBS Phase (Direct View)
Project Closeout Projection

Docket No. 130009-EI
Duke Energy Florida, Inc.
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PROGRESS ENERGY FLORIDA (60)
CR3 EPU - Summary by CLASS/WBS Phase (Direct View)
Project Closeout Projection

Docket No. 130009-EI
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Exhibit No. ____ (GM-3)
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EPU MONTHLY STATUS REPORT - JANUARY 2013

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 Duke Energy Florida, Inc.
 Exhibit No. ____ (GM-3)
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SAFETY AND HUMAN PERFORMANCE MANAGEMENT

SAFETY/HUMAN PERFORMANCE METRICS												
1st Aid	0	0	0	0	0	0	0	0	0	0	0	0
Near Miss	0	0	0	0	0	0	0	0	0	0	0	0
OSHA	0	0	0	0	0	0	0	0	0	0	0	0
Lost Time	0	0	0	0	0	0	0	0	0	0	0	0
Clock Resets	0	0	0	0	0	0	0	0	0	0	0	0

SAFETY NARRATIVE/ANALYSIS
 A review of the CR database, observation database, and discussions with the CR3 Major Projects Safety Representative shows no Industrial, radiological, and/or environmental safety issues or trends.

HUMAN PERFORMANCE NARRATIVE/ANALYSIS
 Fourteen (14) EPU Supervisor observations were required and an overall Thirty-Five (35) were performed ; Thirteen (13) of which were categorized as critical. No adverse trends identified.
 The overall focus of these observations was primarily Safety/Office Safety, Human Performance, Chemistry, Leadership, Engineering, Training, Materials, Nuclear Plant Projects, Maintenance, Lifting/Rigging, Welding/Grinding, Vendors, and the Warehouse.
 In the Critical Observation Category , the focus was on Environmental Spill Control, Housekeeping (and Office Safety), Meeting Effectiveness, Training (and Pre-Job Briefs),
 Major Projects had no Human Performance Clock Resets for the month of January.

STAFFING PLAN - JANUARY 2013 (FTE)						
Manpower Classification	2012		2013			
	Plan	Act	1Q	2Q	3Q	4Q
Project Oversight	5	3	4	0	0	0
GEL	3	1	3			
GOL	2	2	1			
Project Support	15	11	14	0	0	0
GEL	3	3	2			
GOL	12	8	12			
Licensing	5	3	2	0	0	0
GEL	3	2	1			
GOL	2	1	1			
Engineering	46	45	34	0	0	0
GEL	19	15	16			
GOL	27	30	18			
Testing/Procedures/Ops	13	13	6	0	0	0
GEL	4	4	4			
GOL	9	9	2			
Construction	6	7	4	0	0	0
GEL	0	0	0			
GOL	6	7	4			
TOTAL	88	83	64	0	0	0

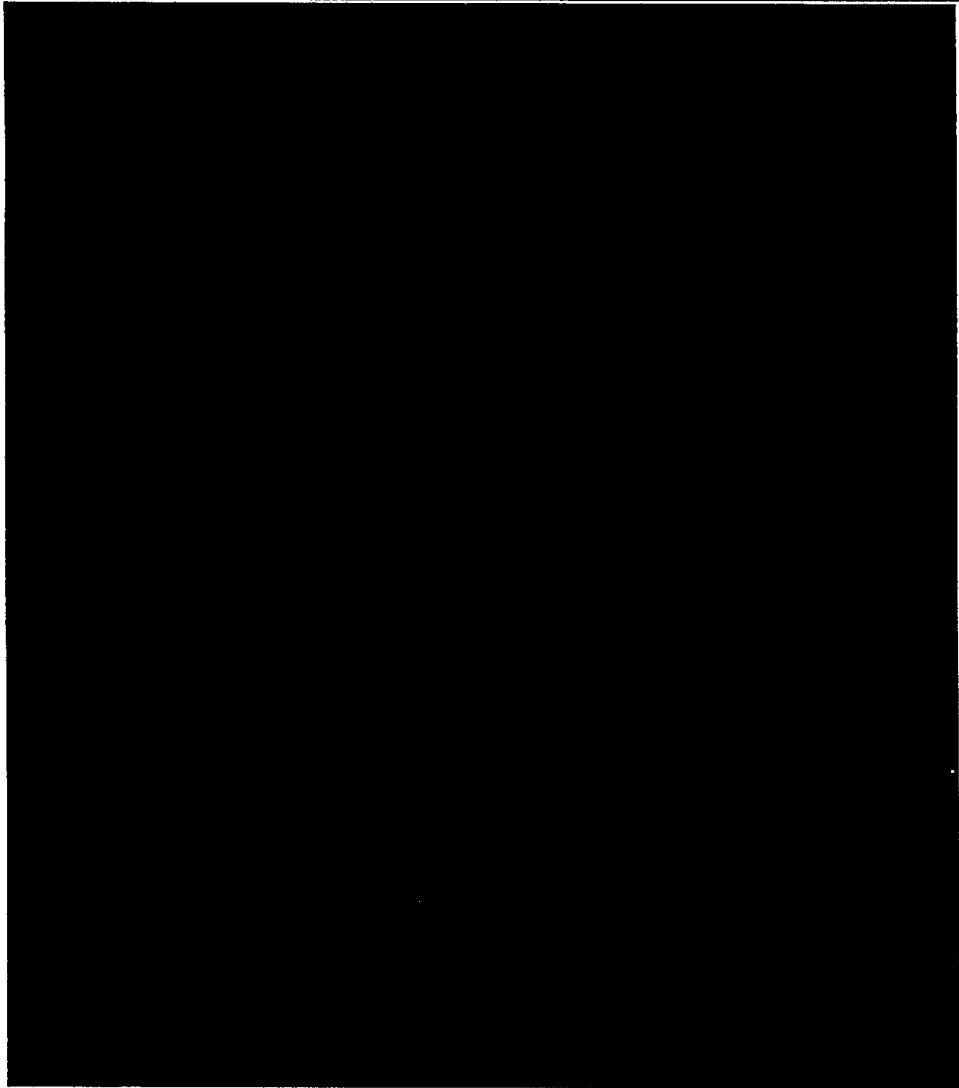
STAFFING NARRATIVE/ANALYSIS
 Estimated staffing in January was 64 FTEs based on the 2013 draft projection. Due to the decision to retire the CR3 plant on February 5, 2013, the EPU project has been cancelled. A revised staffing plan will be developed in February to outline support needed for cancellation activities.

REDACTED

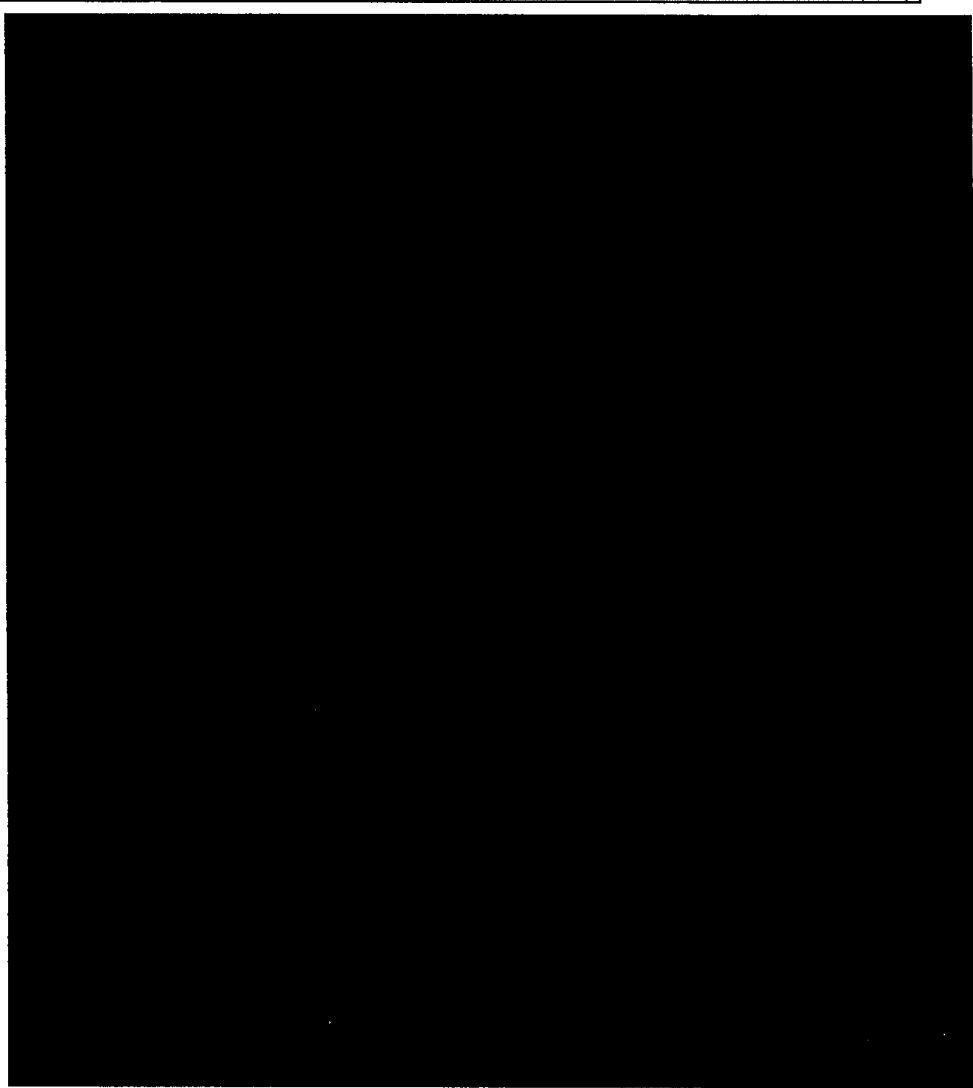
EPU MONTHLY STATUS REPORT - JANUARY 2013

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RISK MANAGEMENT



CHANGE MANAGEMENT



REDACTED

EPU MONTHLY STATUS REPORT - JANUARY 2013

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 Duke Energy Florida, Inc.
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SCHEDULE MANAGEMENT

Aug	Sep	Oct	Nov	Dec	Jan
0.95	0.95	0.92	1.00	0.99	0.98

SPI NARRATIVE/ANALYSIS

Schedule performance for the month of January is 0.98. This was the result of continued adjustments of planned revisions and work order planning based on reduced Engineering staff.

ENGINEERING CHANGE STATUS - DECEMBER 2012				
EC #	Type	Description	EC APPROVED	
			Baseline	Projected
78021	I	Main Feedwater Pump		
76095	I	Safety Related Main Steam System Pipe Supports & Whip Restraints	4/8/13	5/2/13
73934	I	Low Pressure Injection XTie Install for Boron Precipitation		
75574	D	SPDS Plant Computer Simulator Updates	4/16/14	4/16/14
71369	D	ICS Scaling, ICS Run-Back & AULD	9/26/13	9/26/13
71193	D	Overall Margin	12/2/14	12/2/14
70732	I	Emergency Feedwater System Upgrades for EPU		
76340	I	Inadequate Core Cooling (ICCMS)	6/11/13	6/11/13
79610	I	ICCMS Main Control Board Modification for EPU		
76341	I	Low Pressure Turbine Supervisory Equipment Installation for EPU		
80056	D	Evaluation of Plant Instrumentation for EPU		
81092	I	Atmospheric Dump Valve (ADV) Override	6/26/13	6/26/13
84511	I	Design Analysis & Installation of RCS Hotleg Blow Down Line	6/25/13	6/25/13
85409	I	5KV Calvert Non-Segregated Bus Replacement	TBD	

EC NARRATIVE/ANALYSIS

Due to the decision to retire the CR3 Nuclear Power Plant on February 5, 2013, engineering change packages will be closed out as appropriate.

EC No. 76341 was PGM approved on February 7, 2013.

LEVEL 1 SCHEDULE STATUS			
EPU Phase 3 Activities	Sch Finish	Act Finish	Status
Engineering (Field Work ECs)	6/28/13		On Track
Major Procurement Received	4/15/13		Lagging
Field Construction (LPT/HPT)	7/31/14		2 Month Work Window
SER Receipt	12/31/13		On Track or Ahead
Engineering (Design Work ECs)	12/31/14		On Track
Startup	6/1/15		CRT Dependent
Close Out	10/1/15		CRT Dependent
Balance of Work (BOW)			
Est, Sched & Constructability Complete	11/1/13		On Track
Construction Preps & Training	1/6/14		On Track
Field Construction Complete	1/6/15		On Track
Project Plans			
Approval to Construct	1Q2013		CRT Dependent

LEVEL 1 SCHEDULE NARRATIVE/ANALYSIS

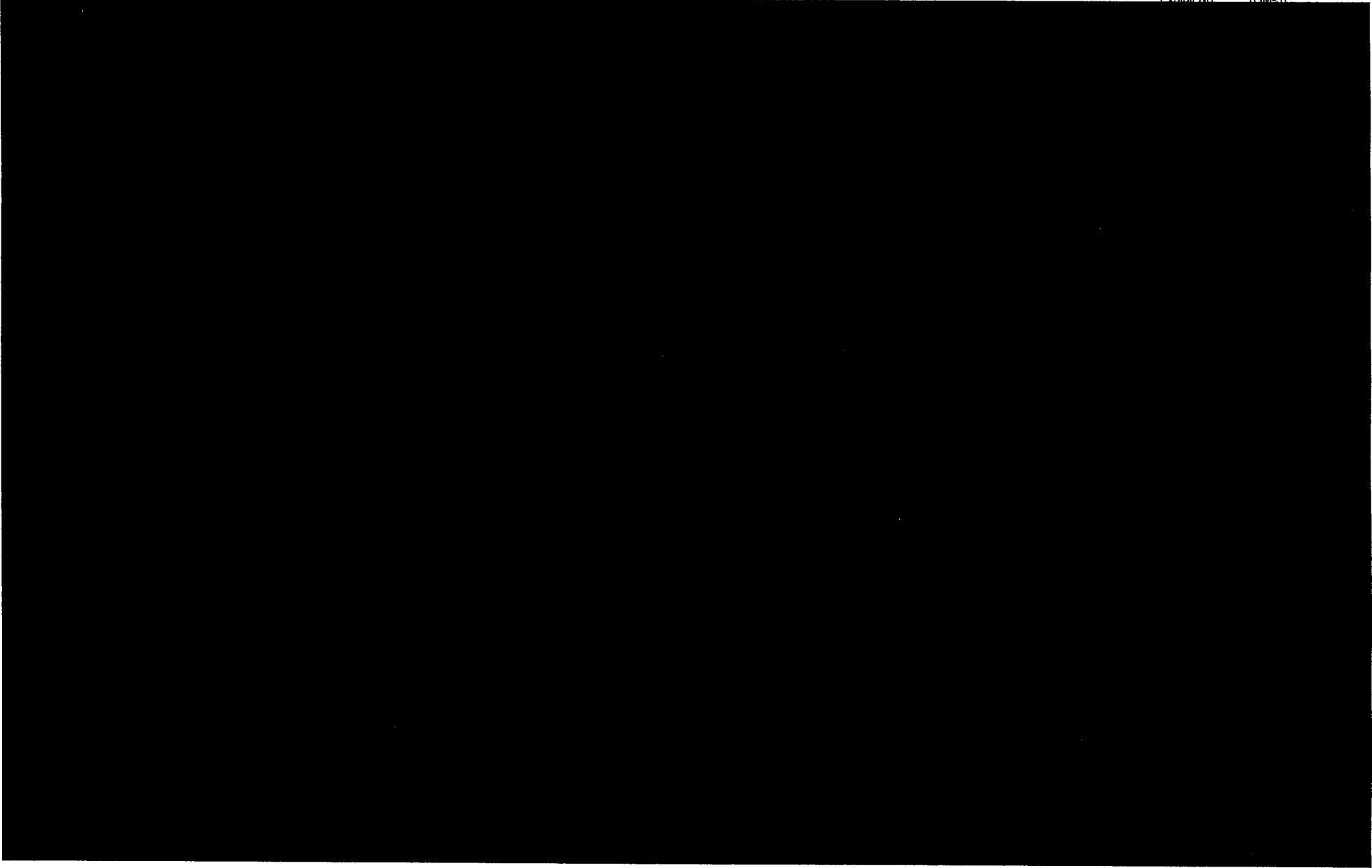
Due to the decision to retire the CR3 Nuclear Power Plant on February 5, 2013 the EPU project has been cancelled. A cancellation plan will be developed with new milestone dates that encompass the planned work scope.

SCHEDULE KEY:	
White = On-Schedule	Yellow = Past Baseline

REDACTED

EPU MONTHLY STATUS REPORT - JANUARY 2013

Docket No. 130009-E1
Duke Energy Florida, Inc.
Exhibit No. (GM-3)



REDACTED

EPU MONTHLY STATUS REPORT - JANUARY 2013

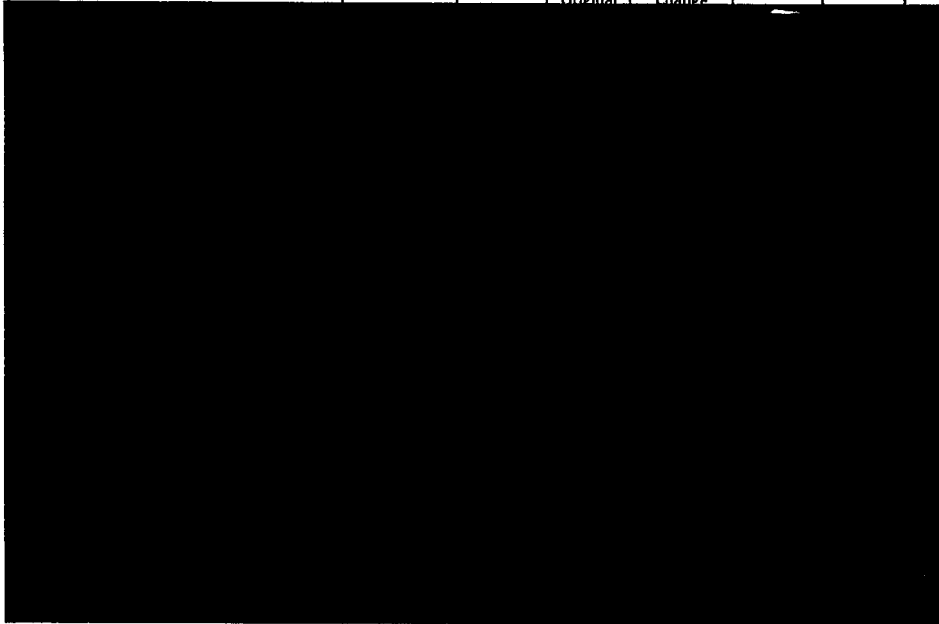
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CONTRACT MANAGEMENT

REGULATORY MANAGEMENT

MAJOR CONTRACTS (\$ In MM)

Original Change



MILESTONE LIST

		Finish Date	Status
NRC	LAR Technical Review	8/31/2013	On Track
	ACRS Reviews	12/31/2013	On Track
	Amendment Issued	12/31/2013	On Track
FPSC	Issue Order for 2011 Prudency	12/11/2012	Complete
	Draft 2012 Data Request (DR)1 Response	12/21/2012	Complete
	File 2012 DR1 Response to PSC	1/28/2013	Complete
FDEP	None		

NUCLEAR REGULATORY COMMISSION NARRATIVE/ANALYSIS

The Environmental regulations regarding the need for the POD are currently under review.

FLORIDA PUBLIC SERVICE COMMISSION NARRATIVE/ANALYSIS

PEF's responses to Data Request 1 on Docket 130009-EI were filed on January 28, 2013 as requested.

The Order Establishing Procedure for Docket No. 130009-EI was issued - the NCRC hearing dates have been established for August 5-9, 2013.

FLORIDA DEPT OF ENV. PROTECTION NARRATIVE/ANALYSIS

The Environmental regulations regarding the need for the POD are currently under review.

EPU Regulatory Close Out Plan

Nuclear Regulatory Commission (NRC):

NRC notification was completed on February 7, 2013. See attached LAR #309 withdrawal in memo 3F0213-06. A final status of LAR RAIs is attached.

Florida Public Service Commission:

On March 1, 2013, the Company filed its petition, testimony, and exhibits with the FPSC to support the prudence of the EPU Project work and expenditures for 2012 pursuant to the nuclear cost recovery statute and rule. The FPSC audit of the Company's EPU project expenditures in 2012 and project management, contracting, and cost controls is underway. The Company is preparing its EPU Project actual/estimated 2013 and projected 2014 expenditures based on the Company's decision to retire CR3 and cancel the EPU project and the revised EPU Project budget and EPU Project Close Out Plan.

Florida Department of Environmental Protection:

The FDEP will be notified of the CR3 retirement decision and EPU Project cancellation by the PEF Environmental Organization. The notification will include cessation of EPU Project permitting activities and cancellation of the discharge canal cooling tower project.

Attachments:

Letter 10CFR 50.90
NRC Permission Letter
EPU LAR 309 Branch Status-Acceptance Review

REDACTED

Docket No. 130009-EI
Duke Energy Florida, Inc.
Exhibit No. _____ (GM-3)
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

March 7, 2013

Mr. Jon A. Franke
Vice President
Crystal River Nuclear Plant (NA2C)
ATTN: Supervisor, Licensing and
Regulatory Programs (NA1B)
15760 W. Power Line Street
Crystal River, FL 34428-6708

SUBJECT: CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT - WITHDRAWAL
OF LICENSE AMENDMENT REQUEST (TAC NO. ME6527)

Dear Mr. Franke:

By letter dated June 15, 2011, you applied for an amendment to the Crystal River Unit 3 Nuclear Generating Plant (CR-3), Facility Operating License No. DPR-72. The proposed change would have modified the facility operating license and the technical specifications to support operation at an increased core thermal power level. Briefly, the proposed amendment, categorized as an extended power uprate amendment, would have increased the licensed core power level for CR-3 from 2609 megawatts (MWt) to 3014 MWt. Subsequently, by letter dated February 7, 2013, you withdrew the amendment request based on the determination to retire CR-3.

The U.S. Nuclear Regulatory Commission has filed the enclosed Notice of Withdrawal of Application for Amendment to Facility Operating License with the Office of the Federal Register for publication.

Sincerely,

A handwritten signature in black ink that reads "Siva P. Lingam".

Siva P. Lingam, Project Manager
Plant Licensing Branch II-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-302

Enclosure:
Notice of Withdrawal

cc w/encl: Distribution via Listserv

[7590-01-P]

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-302; NRC-2013-XXXX]

Crystal River Unit 3 Nuclear Generating Plant

Application for Amendment to Facility Operating License

AGENCY: Nuclear Regulatory Commission.

ACTION: License amendment application; withdrawal.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC or the Commission) is granting the request of Florida Power Corporation (the licensee), through its owner Duke Energy, to withdraw its June 15, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML112070659), application for proposed amendment to Facility Operating License No. DPR-72 for the Crystal River Unit 3 Nuclear Generating Plant (CR-3), located in Florida, Citrus County. The proposed amendment would have revised the facility operating license and the technical specifications to support operation at an increased core thermal power level.

ADDRESSES: Please refer to Docket ID NRC-2013-XXXX when contacting the NRC about the availability of information regarding this document. You may access information related to this document, which the NRC possesses and is publicly available, using any of the following methods:

- 2 -

- **Federal rulemaking Web site:** Go to <http://www.regulations.gov> and search for Docket ID NRC-2013-XXXX. Address questions about NRC dockets to Carol Gallagher; telephone: 301-492-3668; e-mail: Carol.Gallagher@nrc.gov.

- **NRC's ADAMS:** You may access publicly available documents online in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "ADAMS Public Documents" and then select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr.resource@nrc.gov. The ADAMS accession number for each document referenced in this notice (if that document is available in ADAMS) is provided the first time that a document is referenced.

- **NRC's PDR:** You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

FOR FURTHER INFORMATION CONTACT: Siva P. Lingam, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555; telephone: 301-415-1564; e-mail: siva.lingam@nrc.gov.

SUPPLEMENTARY INFORMATION:

The NRC is granting the licensee's request to withdraw its June 15, 2011, application for proposed amendment to the CR-3 Facility Operating License No. DPR-72.

The proposed amendment would have increased the licensed core power level for CR-3 from 2609 megawatts thermal (MWt) to 3014 MWt. The increase in core thermal power would

- 3 -

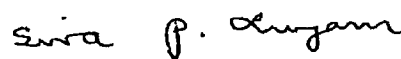
have been approximately 15.5 percent over the current licensed core thermal power level and was categorized as an extended power uprate.

The Commission had previously issued a Notice of Consideration of Issuance of Amendment published in the *Federal Register* on January 11, 2012 (77 FR 1743), and a Notice of Consideration of Issuance of draft environmental assessment related to the proposed amendment published in the *Federal Register* on January 16, 2013 (78 FR 3458). However, by letter dated February 7, 2013 (ADAMS Accession No. ML13043A027), the licensee withdrew the proposed change based on the determination to retire CR-3 due to economic disadvantages to fix the containment delamination that occurred during the steam generators replacement refueling outage. As a result, all the comments received on the above *Federal Register* notices will not be resolved and the environmental assessment will not be finalized.

For further details with respect to this action, see the application for amendment dated June 15, 2011, and the licensee's letter dated February 7, 2013, which withdrew the application for license amendment.

Dated at Rockville, Maryland, this 7th day of March 2013.

For the Nuclear Regulatory Commission.



Siva P. Lingam, Project Manager,
Plant Licensing Branch II-2,
Division of Operating Reactor Licensing,
Office of Nuclear Reactor Regulation.

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Docket No. 130009-EI
Duke Energy Florida, Inc.
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Page 54 of 58

March 7, 2013

Mr. Jon A. Franke
Vice President
Crystal River Nuclear Plant (NA2C)
ATTN: Supervisor, Licensing and
Regulatory Programs (NA1B)
15760 W. Power Line Street
Crystal River, FL 34428-6708

SUBJECT: CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT - WITHDRAWAL
OF LICENSE AMENDMENT REQUEST (TAC NO. ME6527)

Dear Mr. Franke:

By letter dated June 15, 2011, you applied for an amendment to the Crystal River Unit 3 Nuclear Generating Plant (CR-3), Facility Operating License No. DPR-72. The proposed change would have modified the facility operating license and the technical specifications to support operation at an increased core thermal power level. Briefly, the proposed amendment, categorized as an extended power uprate amendment, would have increased the licensed core power level for CR-3 from 2609 megawatts (MWt) to 3014 MWt. Subsequently, by letter dated February 7, 2013, you withdrew the amendment request based on the determination to retire CR-3.

The U.S. Nuclear Regulatory Commission has filed the enclosed Notice of Withdrawal of Application for Amendment to Facility Operating License with the Office of the Federal Register for publication.

Sincerely,

/RA/

Siva P. Lingam, Project Manager
Plant Licensing Branch II-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-302

Enclosure:
Notice of Withdrawal

cc w/encl: Distribution via Listserv

DISTRIBUTION:

PUBLIC
RidsNrrDorlDpr Resource
RidsNrrPMCrystalRiver Resource
S. Lingam, NRR

Branch Reading
RidsNrrDorlLpl2-2 Resource
RidsOgcRp Resource
D. McIntyre, OPA

RidsAcrsAcnw_MailCTR Resource
RidsNrrLABClayton Resource
RidsRgn2MailCenter Resource

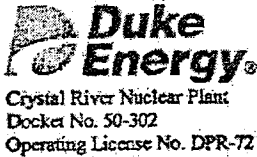
ADAMS Accession Nos.: PKG M13063A305 LTR ML13063A524 FRN ML13063A527

OFFICE	NRR/LPL2-2/PM	NRR/LPL2-2/PM	NRR/LPL2-2/LA	OGC	NLO	NRR/LPL2-2/BC	NRR/LPL2-2/PM
NAME	SLingam	CGratton	BClayton	LSubin		FSaba for JQuichocho	SLingam
DATE	3/4/13	3/7/13	3/5/13	3/5/13		3/7/13	3/7/13

OFFICIAL RECORD COPY

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Docket No. 130009-EI
Duke Energy Florida, Inc.
Exhibit No. _____ (GM-3)
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Ref: 10 CFR 50.90

February 7, 2013
3F0213-06

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

Subject: Crystal River Unit 3 - Withdrawal of License Amendment Request #309,
Revision 0 (TAC NO. ME6527)

Reference: CR-3 to NRC letter dated June 15, 2011, "Crystal River Unit 3 - License
Amendment Request #309, Revision 0, Extended Power Uprate" (ADAMS
Accession No. ML112070659)

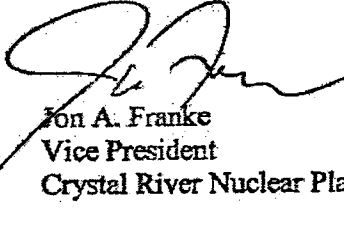
Dear Sir:

Florida Power Corporation hereby withdraws License Amendment Request (LAR) #309,
Revision 0, in its entirety. The proposed LAR (Reference) was submitted to obtain approval to
perform an extended power uprate which includes modifications to the Crystal River Unit 3 (CR-
3) Improved Technical Specifications. The decision to withdraw is based on the determination
to retire CR-3.

There are no new regulatory commitments made within this submittal.

If you have any questions regarding this submittal, please contact Mr. Dan Westcott, Regulatory
Affairs Manager at (352) 563-4796.

Sincerely,



Jon A. Franke
Vice President
Crystal River Nuclear Plant

JAF/par

xc: Regional Administrator, Region II
Senior Resident Inspector
NRR Project Manager
State Contact

Crystal River Nuclear Plant
15760 W. Powerline Street
Crystal River, FL 34428

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CR-3 LAR 309 Branch Status

Docket No. 130009-
 Duke Energy Florida, Inc.
 Exhibit No. ____ (GM-3)
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NRC BRANCH	No of RAIs	RAIs Issued	Response Submitted	Comments
AADB - Accident Dose	2	04/02/12	04/26/12	Response submitted
AADB - Accident Dose - Mel	8	05/04/12	06/29/12	Response submitted
AADB - Accident Dose	4	02/04/13		Revised draft RAIs submitted by email
AFPB - Fire Protection	6	12/07/11	12/21/11	Response submitted
APLA - PRA Licensing Set 1	21	02/08/12	03/22/12	Response submitted
APLA - PRA Licensing Set 2 - Fire PRA	1	07/05/12	07/31/12	Response submitted
EPNB - Piping and NDE (was CPNB)	20	12/07/11	01/19/12	Response submitted
EPTB - Component Performance and Testing (was CPTB)	7	12/07/11	01/19/12	Response submitted
ESGB - SG Tube Integrity and Chemical Engineering	4	12/07/11	01/05/12	Response submitted
ESGB - SG Tube Integrity and Chemical Engineering Set 2 - SFP Boron and RV Materials	2	07/05/12	07/17/12	Response submitted
EVIB - Vessels and Internals Integrity (was CVIB)	1	12/07/11	12/15/11	Response submitted
EVIB - Vessels and Internals Integrity (was CVIB)	2	08/16/12	09/27/12	Response submitted
EVIB - Vessels and Internals Integrity (was CVIB)	5	11/01/12	12/17/12	Response submitted
EEEE - Electrical Engineering	21	03/02/12	04/18/12	Response submitted
EEEE - Electrical Engineering Set 2	10	07/17/12	08/21/12	Response submitted
EICB - Instrumentation and Controls Set 1	1	12/07/11	01/05/12	Response submitted
EICB - Instrumentation and Controls Set 2	5	02/08/12	03/19/12	Response submitted
EICB - Instrumentation and Controls Set 3	5	08/29/12	10/04/12	Response submitted
EMCB - Mechanical and Civil Engineering	3	03/02/12	04/04/12	Response submitted
EMCB - Power Ascension and Testing	5	08/01/12	08/30/12	Response submitted
AHPB - Health Physics and Human Perf (was IHPB) Set 1	4	12/07/11	12/15/11	Response submitted
AHPB - Health Physics and Human Perf (was IHPB) Set 2	8	03/02/12	04/04/12	Response submitted
AHPB - Health Physics and Human Performance Set 3 - Shielding	1	07/05/12	07/31/12	Response submitted
SSPB - Balance of Plant		None		NRC confirmed Branch had no RAI beyond those responded to during acceptance review
SOVB - Containment and Ventilation	20	03/02/12	04/12/12	Response submitted
SNPB - Nuclear Perf and Code Review Set 1 - FCD	18	05/04/12	06/18/12	Response submitted
SNPB - Nuclear Perf and Code Review Set 2 - BP	8	08/02/12	09/17/12	Response submitted
SRXB - Reactor Systems - Set 1 - Spent Fuel Tanks	14	08/03/12	09/14/12	Response submitted
SRXB - Reactor Systems - Set 2 (45 day)	30	12/19/12	01/31/13	RAI 2.8.5.4.5.3 was changed to a 90-day response
SRXB - Reactor Systems - Set 2 (90 day)	6	12/19/12	03/19/13	
SRXB - Reactor Systems - Set 3	12	02/01/13		
SSIB - Safety Issue Resolution Branch - Set 1	1	07/17/12	08/21/12	Response submitted
EICB Committed Report			10/4/12 & 11/07/12	EM/RFI and Seismic submitted with I&C RAI Responses. Informally issued FAT Procedure to NRC. Following documents due in February: Reliability Report (including inputs and outputs) FAT EM/RFI and seismic summaries for both ICMS and FCS Isolation of non-safety circuits Report Overall availability Report
Supplement 1 - FWLB and LOCA Summary Report			07/17/12	Supplement submitted
Supplement 2 - AADB MCR X/Q and CREVS		06/29/12	12/20/12	Supplement submitted
Supplement 3 - AADB Revised Table 2.9.2-1		12/18/12	02/28/13	
MILESTONES				
Draft EA		01/08/13		
Federal Register Notice - No Sig Hazards				
OGC (Legal) Review				
ITSB Review				ITS review will likely follow SE preparation and will largely involve confirming that the SE appropriately supports proposed ITS changes.
Draft SE				
Draft SE to ACRS Subcommittee				
ACRS Subcommittee Meeting				
ACRS Full Committee Meeting				
Approval				

NRC BRANCH	RAIs Issued	Responses Issued	Follow-up RAIs Issued	Follow-up Responses Issued	Comments
AADB - Accident Dose	06/23/11	7/5/2011A			Accepted for Technical Review
AFPB - Fire Protection					No Acceptance Comments
APLA - PRA Licensing	07/27/11	8/11/11A			Accepted for Technical Review
CPNB - Piping and NDE					No Acceptance Comments
CPTB - Component Performance and Testing					No Acceptance Comments
CSGB - SG Tube Integrity and Chemical Engineering					No Acceptance Comments
CVIB - Vessels and Internals Integrity					No Acceptance Comments
EEEE - Electrical Engineering	08/10/11*	8/25/11P*			Accepted for Technical Review
EICB - Instrumentation and Controls	07/19/11	8/18/11A			Accepted for Technical Review
EMCB - Mechanical and Civil Engineering	07/25/11	8/25/11A			
EQVB - Quality and Vendor					No Acceptance Comments
IHPB - Health Physics and Human Perf					No Acceptance Comments
ITSB - Technical Specifications					No Acceptance Comments
RERB - Environmental Review					No Acceptance Comments
SBPB - Balance of Plant	07/25/11	8/11/11A			Accepted for Technical Review
SCVB - Containment and Ventilation					No Acceptance Comments
SNPB - Nuclear Perf and Code Review					No Acceptance Comments
SRXB - Reactor Systems	08/04/11	10/11/11A			
MILESTONES					
LAR docketed in ADAMS	7/27/2011A				ML 112070659
All Acceptance RAI's Issued					
All Acceptance RAI's addressed / response					
Acceptance Review complete	11/11/11P				See 11/2/11 KW email

* - email clarification and follow-up call requested

REDACTED

NRC BRANCH	RAIs Issued	Responses Issued	Follow-up RAIs Issued	Follow-up Responses Issued	Draft SE Input to PM	Comments
MILESTONES						
Submit RAIs						
Federal Register Notice - No Sig Hazards						
Draft SE						
Approval	TBD					