

DKV

U.S. Department of Energy
Contract Amendment to
Contract No. DE-CR01-09RW09018

This is an Amendment to Contract No. DE-CR01-09RW09018 (hereinafter "the Contract") and is agreed to this 18th day of December, 20 08, by the United States of America represented by the Department of Energy ("DOE") and PROGRESS ENERGY CAROLINAS, Inc. ("Purchaser"). This Amendment amends and supplements the Contract and except to the extent provided in this Amendment, the prior obligations of DOE and Purchaser remain in effect. Those Articles of the Contract not specifically modified by this Amendment remain unchanged.

Witnesseth that:

Whereas, on 18th day of December, 20 08, DOE and Purchaser entered into the Contract for disposal of spent nuclear fuel and/or high-level radioactive waste generated by the Purchaser's reactor; and

Whereas, this Amendment is mutually agreed to by the parties;

Now, therefore the parties hereto do agree as follows:

INTRODUCTORY PARAGRAPH

The introductory paragraph of the Contract is amended by striking "19" and inserting "20" and by deleting "[add as applicable: "acting on behalf of itself and ---.]"".

ARTICLE I - DEFINITIONS

Article I.2. is amended by inserting "bare or canistered" after "for shipping" and by inserting "assemblies" after "spent nuclear fuel".

Article I.18. is amended by inserting "; and nonfuel components including, but not limited to, control spiders, burnable poison rod assemblies, control rod elements, thimble plugs, fission chambers, and primary and secondary neutron sources, that are contained within the fuel assembly, or BWR channels that are an integral part of the fuel assembly, which do not require special handling" after "reprocessing".

Article I is further amended by inserting at the end the following:

"21. The term *acceptance* means the transfer of title to DOE and subsequent transportation from Purchaser's site.

22. The term *bare fuel* means SNF that is not contained in a canister or other shielding.

DW

23. The term *canister* means a sealed right-circular cylinder capable of holding multiple SNF assemblies that is designed and licensed for the storage and transport of SNF and may also be licensed for the aging and disposal of SNF.

24. The term *current avoided costs* means the average cost of DOE-listed canisters, as applicable, purchased or available for purchase by DOE in the year Purchaser's SNF is accepted by DOE.

25. The term *Procedures approved by DOE* means those generic procedures developed and approved by DOE as necessary to implement the receive and possess requirements imposed on DOE by the Commission.

26. The term *Purchaser's adjusted acquisition cost* means the actual cost of the DOE-listed canister to the Purchaser adjusted by the change in the inflation index calculated using (i) 50% - BLS Series ID WPU101707 and (ii) 50% - BLS Series ID CEU3133200030, as measured from the time of the Purchaser's acquisition of the DOE-listed canister to the time of DOE's acceptance of the DOE-listed canister. If a BLS Series does not exist at the time of calculation, the inflation index shall be calculated using the next higher or parent index for the BLS Series.

27. The term *TAD-based canisters* means Transportation, Aging, and Disposal canisters containing multiple SNF assemblies that can provide transport, aging and disposal of SNF.

28. The term *performance date* means the date that is ten (10) years after the expiration of the original term of the operating license, or the term of any license extension(s), granted by the Commission for the facility named in Appendix A of this contract, whichever date is later.

29. The term *final schedule* means the date by which Purchaser shall have completed all activities required to allow for the DOE acceptance of SNF and /or HLW specified by DOE."

ARTICLE II – SCOPE

Article II is amended by striking all that follows "hereunder by DOE." and inserting:

"Section 302(a) of the Nuclear Waste Policy Act of 1982, as amended, provides that DOE, beginning not later than January 31, 1998, will dispose of SNF and/or HLW as provided in the Act. DOE will begin the acceptance of any SNF and/or HLW from a nuclear power reactor covered by this contract no earlier than twenty (20) years from the initial discharge date of SNF from that nuclear power reactor. DOE will complete acceptance of all SNF and/or HLW generated by the nuclear power reactor covered by this contract no later than the performance date absent unavoidable delays or Purchaser-caused delays."

ARTICLE IV - RESPONSIBILITIES OF THE PARTIES

Article IV.A.1. is amended by striking the existing subparagraph (a) and inserting:

"(a) Upon request by DOE, the Purchaser will provide DOE with SNF inventories and

DW

projections of discharges, information regarding the SNF as specified in the then current version of Form RW-859, and onsite SNF storage capacities. DOE will notify Purchaser of its intent to collect this information at least nine (9) months prior to the requested date of submittal. The required information will be collected on the then current version of the Form RW-859, or a mutually agreed replacement form.”

Article IV.A.1. is further amended by striking existing subparagraph (b) and designating existing subparagraph (c) as (b), and by striking “annual forecast in the form and content required by DOE” and inserting “information described in Article IV.A.1.(a) on the schedule set forth in that section” in the new subparagraph (b), and striking “any delivery commitment schedule then” and inserting “the final schedule”.

Article IV.A.1. is further amended by inserting:

“(c) Purchaser shall notify DOE at least five (5) years in advance of the Purchaser’s anticipated needs for onsite dry SNF storage. Within ninety (90) days after such notification, DOE will provide Purchaser with a list of canisters for Purchaser to select a canister to procure and load for use in onsite dry SNF storage and transfer of such SNF to DOE. This list may include TAD-based canisters and other canisters licensed for storage and transport. Alternatively, DOE may provide written notice that DOE does not intend to use canisters for acceptance.

(1) The Purchaser may select, procure and load for use in onsite dry SNF storage any canister on the DOE list described in Article IV.A.1.(c). If such canister is licensed for transport, DOE shall not require that the SNF stored in such canister be disaggregated, unloaded, transferred or repackaged prior to acceptance by DOE. DOE shall accept and compensate Purchaser for those canisters procured pursuant to this subparagraph.

(2) In the event the DOE has not provided written notice informing Purchaser that DOE does not intend to use canisters, or does not provide the list described in Article IV.A.1.(c) as required by that provision, the Purchaser may procure and load for use in onsite dry SNF storage any cask or canister licensed for that purpose. If such cask or canister is licensed for transport at the time of DOE’s acceptance, DOE shall not require that the SNF stored in such cask or canister be disaggregated, unloaded, transferred or repackaged prior to acceptance by DOE. However, this subparagraph shall not apply to any cask or canister loaded beginning three years after the date on which DOE provides such written notice or the list described in Article IV.A.1.(c). DOE shall accept, but not compensate, Purchaser for those canisters procured pursuant to this subparagraph.

(3) Notwithstanding any other provisions herein, Purchaser may procure and load for use in onsite dry storage any cask or canister licensed for that purpose. However, DOE may require Purchaser to disaggregate, unload, transfer or repackage the cask or canister prior to acceptance. DOE shall neither accept nor compensate Purchaser for those canisters procured pursuant to this subparagraph.

(d) Purchaser shall procure, fabricate, load, store and maintain such canisters in accordance with any of the Commission's Quality Assurance and licensing requirements imposed upon DOE or the Purchaser and applicable Procedures approved by DOE. Purchaser may develop site-specific procedures to implement the Procedures approved by DOE, provided that the site-specific procedures are consistent with the Procedures approved by DOE. Purchaser may control changes to those site-specific procedures in accordance with its Commission-approved Quality Assurance program and licensing requirements, provided that such procedures remain consistent with the Procedures approved by DOE. Purchaser shall notify DOE of its intent to load the first canister at least 120 days prior to actual loading, at which time DOE will notify the Purchaser of its intent to observe this activity. DOE may waive the right to observe this activity. Purchaser shall provide DOE with documented evidence that the canisters have been procured, fabricated, loaded, stored and maintained in accordance with the Commission's Quality Assurance and licensing requirements. In no event shall Purchaser be required to disaggregate, unload, transfer or repackage SNF from canisters that were loaded pursuant to Article IV.A.1.(c)(1) and (2) and in accordance with the Commission's Quality Assurance and licensing requirements imposed upon DOE or the Purchaser and Procedures approved by DOE applicable at the time the canisters were loaded."

Article IV.A.2.(a) is amended by inserting after the first sentence:

"The Purchaser shall utilize casks and other items identified and provided by DOE for transfer of all SNF and/or HLW from Purchaser to DOE."

Article IV.A.2.(c) is amended in the first sentence by striking "shipping casks" and inserting in its place "property", and in the second sentence by striking "casks are" and inserting in its place "property is" and in the third sentence by striking "cask" and inserting in its place "property".

Article IV.B.2. is amended in the first sentence by inserting ", for any uncanistered SNF at the time of acceptance, a canister(s), if required, and" before "all necessary transportation", and in the second sentence by inserting "and canister(s), if required," after "cask(s)", and in the third sentence by inserting "and canister(s), if required," after "cask(s)".

Article IV.B.2.(a) is amended by inserting "and canister" after "cask", and in subparagraph (b) by inserting "and canister" after "cask".

Article IV.B.4. is amended by inserting at the end, "Such information is intended to be utilized as a report of DOE's most current planning projections and is not binding upon DOE. It may not be utilized to support or form the basis of any cost or damages claims against DOE or the United States, and it may not be utilized to define DOE's performance obligations or contractual intent under this contract."

Article IV.B. is amended by striking paragraph 5.

DW

ARTICLE V - DELIVERY OF SNF AND/OR HLW

Article V.B. is amended by striking paragraph "B" in its entirety and inserting:

"B. Scheduling

1. DOE shall develop a proposed shipping schedule for the removal of SNF and/or HLW from Purchaser's facility. Notice of such schedule, which shall include DOE's proposed date for the Purchaser to complete activities necessary for shipment, as well as the quantity and specific characteristics of the SNF and/or HLW to be shipped, shall be provided to Purchaser by DOE no less than five years in advance of the proposed date. Purchaser shall, within 180 days of receipt of DOE's proposed shipping schedule, either agree to DOE's proposed shipping schedule or provide DOE with notice of a proposed alternative schedule. In the event that Purchaser proposes an alternative shipping schedule, DOE shall, within forty-five (45) days of receipt of such notice from Purchaser, notify Purchaser whether or not DOE accepts Purchaser's proposed alternative schedule. In the event DOE does not accept Purchaser's proposed alternative schedule, the DOE proposed shipping schedule shall prevail and become the final schedule.

2. DOE shall provide to Purchaser Procedures approved by DOE for the acquisition, loading, storage and maintenance of the canisters identified in Article IV.A.1(c); such procedures shall be provided no later than twenty-four (24) months prior to the Purchaser's anticipated date of loading of the canisters.

3. DOE shall compensate Purchaser at the time of DOE acceptance for the lesser of DOE's avoided costs, or Purchaser's adjusted acquisition cost, for any DOE-listed canister utilized by the Purchaser for expanding onsite spent fuel storage capacity pursuant to Article IV.A.1.(c)(1).

(a) No less than six months prior to the year of DOE's acceptance of Purchaser's DOE-listed canisters procured and loaded pursuant to Article IV.A.1.(c)(1), DOE will notify the Purchaser of DOE's current avoided costs used in this determination.

(b) In accordance with Article VIII, DOE will compensate Purchaser for its adjusted acquisition cost of its DOE-listed canister(s) that DOE has formally authorized in writing, by authorizing a credit to Purchaser's next quarterly payment or payments to the Nuclear Waste Fund. In the event Purchaser owes no quarterly payment, DOE and the Purchaser will negotiate appropriate means for prompt and timely payment, assuming that such payments may be made from the Nuclear Waste Fund. The adjusted acquisition cost identified in this subparagraph is limited to the actual cost of the canister itself and does not include any other costs, including travel, employee time or overhead, facilities, opportunity, or non-tangible economic costs. To the extent that any credit identified in this subparagraph may not be made against, and/or any payment identified in this subparagraph may not be paid from, the Nuclear Waste Fund, the Purchaser will receive no compensation for the costs covered by this subparagraph.

(c) DOE agrees to reimburse the Purchaser to the extent the canister's use is consistent with the permissible uses of the Nuclear Waste Fund under the Nuclear Waste Policy Act

DW

of 1982, as amended. DOE shall make reimbursement to the Purchaser solely from the Nuclear Waste Fund.”

Article V. is further amended by striking existing paragraphs C, D and E.

ARTICLE VI - CRITERIA FOR DISPOSAL

Article VI.A.1.(a) is amended by striking “only such SNF and/or” after “hereunder” and inserting “all Purchaser’s” in its place, and striking “such fuel and” before “waste”.

Article VI.A.1.(b) is amended by striking “SNF and/or” after “classify” and striking “paragraphs B and D of” after “in accordance with”.

Article VI.A.2.(b) is amended by striking the subparagraph and inserting:

“(b) DOE’s obligation for disposing of SNF and/or HLW under this contract also extends to other than standard HLW; however, for any HLW which has been designated by the Purchaser as other than standard HLW, as that term is defined in appendix E, the Purchaser shall obtain delivery and procedure confirmation from DOE prior to delivery. DOE shall determine the technical feasibility of disposing of such HLW on the current final schedule and shall inform the Purchaser of any schedule adjustment within sixty (60) days after receipt of such confirmation request.”

Article VI.B. is amended by striking paragraph 1. and renumbering existing paragraphs 2. and 3. as 1. and 2. respectively. Renumbered paragraph 2.(b) is further amended by deleting “scheduled”.

ARTICLE VII – TITLE

Article VII is amended in the first sentence by inserting “, and if applicable, any canisters provided by the Purchaser,” after “HLW”, and by striking “at the Purchaser’s site as provided for in Article VI hereof” and inserting “upon acceptance”.

ARTICLE VIII - FEES AND TERMS OF PAYMENT

Article VIII.A.1. is amended by striking “Effective April 7, 1983,” and inserting “The” in its place.

Article VIII.A. is further amended by striking existing paragraphs 2 and 3 and renumbering existing paragraph 4 as paragraph 2. Renumbered paragraph 2 is further amended by striking “unless either House of Congress adopts a resolution disapproving the proposed adjustment”.

Article VIII.B.1. is amended in the first sentence by striking “on or after April 7, 1983”; striking the second and third sentences including the parentheses around the third sentence; and inserting in the last sentence “on the first day of the month in which the Purchaser’s civilian nuclear power reactor begins commercial operations, or as otherwise agreed to by the parties” after “begin” in place of “_____”.

DW

Article VIII.B. is further amended by striking existing paragraph 2 and renumbering existing paragraphs 3 and 4 as paragraphs 2 and 3, respectively. Renumbered paragraph 2.(b) is amended by striking “as set forth in Appendix G,” and further amended by striking “Department of Energy, Office of Controller, Cash Management Division, Box 500, Room D-208, Germantown, Maryland 20874” and inserting in its place “DOE at an address to be provided by the Contracting Officer.”

Article VIII.C. is amended by striking paragraph 1 and inserting in its place:

“1. Charges for late payments or underpayments will be based on the amount due and calculated to reflect DOE’s lost earnings on receipts not received in accordance with the time periods specified in paragraph B.1. of Article VIII. The amount of DOE’s lost earnings will be calculated from the date the payment was due to the actual date payment was received by DOE.”

Article VIII.C. is further amended by striking existing paragraph 2 and redesignating existing paragraph 3 as paragraph 2.

Article VIII.E.2. is amended by striking “General Accounting” and inserting in its place “Government Accountability”.

ARTICLE IX - DELAYS

Article IX.A. is amended by striking in the first sentence “to perform” and inserting “in performance or initiating performance of” after “failure”, and inserting in the second sentence “(including, but not limited to, acts or inaction of Congress that, outside the control of DOE or Purchaser, affect DOE’s ability to accept or the Purchaser’s ability to deliver, SNF in a timely manner)” after “contractual capacity”.

Article IX.B. is amended in the caption by striking “or DOE” after “Purchaser”.

Article IX.B. is further amended by inserting in the first sentence after “delay in”, “performance or initiating performance of”, striking “either” after “control of”, striking “or DOE” after “the Purchaser”, and striking “their respective” and inserting “its” in its place.

Article IX is further amended by adding at the end a new paragraph “C”:

“C. Exclusive Remedy for Delays by DOE

Liquidated damages shall be the sole and exclusive remedy available to Purchaser with respect to the acceptance of any SNF and/or HLW covered by this contract or DOE’s noncompliance with any provision relating directly or indirectly to the acceptance of SNF and/or HLW. Such damages shall be available only if DOE does not accept all SNF and/or HLW by the performance date, including any adjustment made pursuant to paragraph B(2)(b) of Article VI or paragraph A or B of this Article or any suspension pursuant to Article X or as a result of Purchaser’s failure to perform its obligations under this contract. Such damages shall be in the amount of \$5 million

per year (in January 1, 2008, dollars adjusted for inflation based on the Consumer Price Index), for each year until DOE completes acceptance of all SNF and/or HLW from the nuclear power reactor covered by this contract. Payments pursuant to this Article IX shall be limited to the total amount of payments made by the Purchaser to the Government pursuant to Article VIII of this contract. Such payments shall be made to the Purchaser on an annual basis.”

ARTICLE X - SUSPENSION

Article X.B. is amended by striking the last two sentences.

ARTICLE XIV - ASSIGNMENT

Article XIV is amended by striking the existing Article and inserting:

“The rights, duties and any claims of the Purchaser arising under this contract may be assigned if all of the Purchaser's rights, duties and claims are assigned, are assigned in their entirety, and are assigned with respect to all SNF and/or HLW covered under this contract. The Purchaser shall provide notice of any such assignment to DOE within ninety (90) days of the assignment. Notwithstanding the preceding sentences, nothing in this Article XIV shall prohibit an owner or co-owner of the nuclear power reactor covered by this contract from allocating rights, duties and claims with respect to the SNF and/or HLW covered by this contract among co-owners or to the extent that such allocation is in conjunction with the transfer by the owner or co-owner of a percentage interest in such reactor that relates to such SNF and/or HLW, provided that no such allocation shall create in the transferee any rights, duties and claims as between DOE and the transferee.”

ARTICLE XVI – DISPUTES

Article XVI.A. is amended by striking in the first sentence “any dispute concerning a question of fact arising under this contract which is”, and inserting “all disputes arising under, or relating to, this contract including those related to delays by the Purchaser which are” in its place.

Article XVI.A. is further amended by striking in the second sentence “DOE Board of Contract Appeals (Board)” and inserting “Office of Hearings and Appeals (OHA) or successor organization” in its place, and striking in the third sentence “Board” and substituting “OHA or successor organization” in its place.

Article XVI.B. is amended by striking “of more than \$50,000”.

Article XVI is further amended by striking paragraph C and redesignating paragraph D as C.

ARTICLE XXI - RIGHTS IN TECHNICAL DATA

Article XXI.B.2. is amended by striking “or” at the end of subparagraph (b), and striking the period at the end of subparagraph (c) and inserting:

“; or (d) This "proprietary data" may be disclosed to Federal, State or local regulatory bodies as may be necessary for regulatory certifications, permits or the like, and under the restriction that the "proprietary data" be retained in confidence and not be further disclosed.”

NEW ARTICLE XXII – QUALITY ASSURANCE

The Contract is further amended by redesignating existing “Article XXII” as “Article XXIII” and by inserting the following new Article XXII:

“ARTICLE XXII – QUALITY ASSURANCE

A. To the extent applicable, the provisions of 10 CFR Part 21 apply to any procurement undertaken pursuant to the terms of the Contract.

B. In connection with DOE’s acceptance of SNF and/or HLW in canisters pursuant to this contract, the Purchaser shall:

- 1. Fabricate, load, store, and maintain the canisters in accordance with the Purchaser’s Commission-approved quality assurance program, the applicable certificate(s) of compliance, and any other Commission requirements for such canisters.
- 2. Provide DOE or its authorized representative with documentation and/or access to Purchaser’s quality assurance records regarding the fabrication, inspection, testing, loading, storage, and maintenance of the canisters in accordance with the Purchaser’s Commission-approved quality assurance program, the applicable certificate(s) of compliance, and any other Commission requirements for such canisters.
- 3. Provide DOE or its authorized representative access to Purchaser’s facilities for the purpose of verifying compliance with the Purchaser’s Commission-approved quality assurance program, the applicable certificate(s) of compliance, and any other Commission requirements for the canisters.
- 4. Maintain quality assurance records associated with the fabrication, inspection, testing, loading, storage, and maintenance of the canisters in accordance with the Purchaser’s Commission-approved quality assurance program, the applicable certificate(s) of compliance, and any other Commission requirements for the canisters.
- 5. As requested by DOE, submit copies of Purchaser’s quality assurance records related to the fabrication, inspection, testing, loading, storage, and maintenance of the canisters to DOE at time of acceptance.
- 6. Pass down the requirements of this Article XXII to any subcontractors or private storage facilities with respect to fabrication, inspection, testing, loading, storage, and maintenance of the canisters.
- 7. Provide all information on fuel descriptions, characteristics, and conditions, as specified

DV

in Appendix F, maintained under the Purchaser’s Commission-approved quality assurance program.”

REDESIGNATED ARTICLE XXIII – ENTIRE CONTRACT

Redesignated Article XXIII is further amended by striking “XXII” and inserting in its place “XXIII” and by striking paragraph C and inserting:

“C. APPENDICES

- A. Nuclear Power Reactor or Other Facility Covered
- B. Discharge Information (Ten Year; Annual) (Not Utilized)
- C. Delivery Commitment Schedule (Not Utilized)
- D. Final Delivery Schedule (Not Utilized)
- E. Amended
- F. Amended
- G. Standard Remittance Advice for Payment of Fees”

SIGNATURE PARAGRAPH

The signature paragraph at the end of the Contract is amended by striking the date “1983” and inserting in its place “20--”.

APPENDIX A

Appendix A is amended in the heading by striking “(s)” after “Reactor” and replacing “Facilities” with “Facility”.

APPENDIX B

Appendix B is amended by striking all that follows “Appendix B” and inserting in its place: “(Appendix B is not utilized for reactors licensed by the Nuclear Regulatory Commission after January 1, 2007.)”

APPENDIX C

Appendix C is amended by striking all that follows “Appendix C” and inserting: “(Appendix C is not utilized for reactors licensed by the Nuclear Regulatory Commission after January 1, 2007.)”

APPENDIX D

Appendix D is amended by striking all that follows “Appendix D” and inserting in its place: “(Appendix D is not utilized for reactors licensed by the Nuclear Regulatory Commission after January 1, 2007.)”

DW

APPENDIX E

Appendix E is amended by striking all that follows "Appendix E" and inserting in its place:

"General Specifications

DOE shall accept all HLW covered by this contract that meets DOE's general specifications. Detailed acceptance criteria and general specifications for such HLW will be issued by DOE no later than one (1) year after the Nuclear Regulatory Commission docket the first license application for a facility to reprocess or recycle SNF."

APPENDIX F

Appendix F is amended by striking all that follows "Appendix F" and inserting in its place:

*"Detailed Description of Purchaser's Fuel and Canister(s)
For Delivery under Final Delivery Schedule Number ----*

A. Purchaser's Fuel

This information shall be provided by Purchaser for each distinct fuel type within a Shipping Lot not later than sixty (60) days prior to the final schedule date.

Purchaser: _____

Contract Number/Date: _____ / _____

Reactor/Facility Name: _____

I. Drawings included in generic dossier: _____

1. Fuel Assembly DWG: _____

2. Upper & Lower end fittings DWG: _____

Dossier Number: _____

DOE Shipping Lot: _____

Assemblies Described:

BWR: _____

PWR: _____

Other: _____

II. Design Material Descriptions.

Fuel Element:

1. Element type (rod, plate, etc.): _____

2. Total length (in.): _____

3. Active length (in.): _____

4. Cladding material (Zr, s.s., Zirlo, etc.): _____

Assembly Description:

1. Number of Elements: _____

2. Overall dimensions: (length) _____ (cross section) _____ (in.)

3. Overall weight: _____

III. SNF Classification. Describe any distortions, cladding damage or other damage to the SNF, or nonfuel components within this Shipping Lot which will require special handling procedures. (Attach additional pages if needed.)

IV. Assembly Number: _____

Shipping Lot: _____

DW

	Irradiation History Cycle No.				
	1	2	3	4	5
Startup Date (mo/day/yr)					
Shutdown Date(mo/day/yr)					
Cumulative fuel exposure (Mwd/Mtu)					
Average Reactor Power (Mwth)					
Total heat output/assembly (watts) using an approved calculational method: _____ as of Date _____					

DV

B. Canister(s)

Canister Make and Model: _____

Canister Serial number: _____

Data package containing all records associated with the procurement, fabrication, loading, inspection, operation and maintenance of the canister(s) collected and maintained under Purchaser's quality assurance program as necessary to demonstrate compliance with the Commission's Quality Assurance and licensing requirements imposed upon DOE or the Purchaser and applicable Procedures approved by DOE.

Any false, fictitious or fraudulent statement may be punishable by fine or imprisonment (U.S. Code, Title 18, Section 1001).

By Purchaser:

Signature: _____

Title: _____

Date: _____ ”

APPENDIX G

Appendix G is amended by striking all that follows "Annex B" and inserting in its place: "(Annex B is not utilized for reactors licensed by the Nuclear Regulatory Commission after January 1, 2007.)"

DAV

In Witness Whereof, the parties hereto have executed this contract as of the day and year first above written.

United States of America
United States Department of Energy

By: [Signature]
(Contracting Officer)

Witnesses as to Execution on Behalf
of Purchaser

Thomasine K. Carns

(Name)
410 S. Wilmington St.

Raleigh NC 27601

(Address)

Carel P. Perry

(Name)
410 S. Wilmington St.

Raleigh NC 27601

(Address)

Progress Energy Carolinas, Inc.
(Purchaser's Company Name)

By: [Signature]

Title: President and CEO

I, Arlene S. Graves (Name), certify that I am the Assistant Secretary (Title) of the corporation named as Purchaser herein; that Lloyd M. Yates (Name) who signed this document on behalf of the Purchaser was then President and CEO (Title) of said corporation; that said document was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

In Witness Whereof, I have hereunto affixed my hand and the seal of said corporation this 15th day of December, 2008.

(Corporate Seal)

Arlene S. Graves
(Signature)