

and regulations. In accordance with 10 CFR 54.29, the NRC may issue a renewed license on the basis of its review if it finds that actions have been identified and have been or will be taken with respect to: (1) Managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified as requiring aging management review; and (2) time-limited aging analyses that have been identified as requiring review, such that there is reasonable assurance that the activities authorized by the renewed license will continue to be conducted in accordance with the current licensing basis (CLB), and that any changes made to the plant's CLB will comply with the Act and the Commission's regulations. In addition, the Commission must find that applicable requirements of Subpart A of 10 CFR Part 51 have been satisfied, and that matters raised under 10 CFR 2.335 have been addressed.

Notice of Opportunity for Hearing and Notices relating to the environmental review will be published at a later date.

In accordance with 10 CFR 51.53(c) and 10 CFR 54.23, Carolina Power & Light Company prepared and submitted the environmental report (ER) as part of the LRA. The LRA and the ER are publicly available at the NRC's PDR, located at One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852, or from ADAMS. The ADAMS accession numbers for the LRA and the ER are ML063350270 and ML063350276, respectively. The public may also view the LRA and the ER on the Internet at <http://www.nrc.gov/reactors/operating/licensing/renewal/applications.html>. In addition, the LRA

and the ER are available to the public near HNP, Unit 1, at the Eva. H. Perry Library, 2100 Shepherd's Vineyard Drive, Apex, North Carolina 27502.

Dated at Rockville, Maryland, this 8th day of January, 2007.

For the Nuclear Regulatory Commission.  
**Pao-Tsin Kuo,**  
*Acting Director, Division of License Renewal, Office of Nuclear Reactor Regulation.*  
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**OFFICE OF MANAGEMENT AND BUDGET**

**Discount Rates for Cost-Effectiveness Analysis of Federal Programs**

**AGENCY:** Office of Management and Budget.

**ACTION:** Revisions to Appendix C of OMB Circular A-94.

**SUMMARY:** The Office of Management and Budget revised Circular A-94 in 1992. The revised Circular specified certain discount rates to be updated annually when the interest rate and inflation assumptions used to prepare the budget of the United States Government were changed. These discount rates are found in Appendix C of the revised Circular. The updated discount rates are shown below. The discount rates in Appendix C are to be used for cost-effectiveness analysis, including lease-purchase analysis, as specified in the revised Circular. They do not apply to regulatory analysis.

**DATES:** The revised discount rates are effective immediately and will be in effect through December 2007.

**FOR FURTHER INFORMATION CONTACT:** Robert B. Anderson, Office of Economic Policy, Office of Management and Budget, (202) 395-3381.

**James D. Foster,**  
*Associate Director for Economic Policy, Office of Management and Budget.*

**Appendix C—Discount Rates for Cost-Effectiveness, Lease Purchase, and Related Analyses (OMB Circular No. A-94)**

Revised December 2006.

*Effective Dates.* This appendix is updated annually around the time of the President's budget submission to Congress. This version of the appendix is valid for calendar year 2007. A copy of the updated appendix can be obtained in electronic form through the OMB home page at [http://www.whitehouse.gov/omb/circulars/a094/a94\\_appx-c.html](http://www.whitehouse.gov/omb/circulars/a094/a94_appx-c.html), the text of the main body of the Circular is found at <http://www.whitehouse.gov/omb/circulars/a094/a094.html>, and a table of past years' rates is located at <http://www.whitehouse.gov/omb/circulars/a094/DISCHIST-2007.pdf>. Updates of the appendix are also available upon request from OMB's Office of Economic Policy (202-395-3381).

*Nominal Discount Rates.* A forecast of nominal or market interest rates for 2007 based on the economic assumptions for the 2008 Budget are presented below. These nominal rates are to be used for discounting nominal flows, which are often encountered in lease-purchase analysis.

**NOMINAL INTEREST RATES ON TREASURY NOTES AND BONDS OF SPECIFIED MATURITIES**

[In percent]

| 3-Year | 5-Year | 7-Year | 10-Year | 20-Year | 30-Year |
|--------|--------|--------|---------|---------|---------|
| 4.9    | 4.9    | 4.9    | 5.0     | 5.1     | 5.1     |

*Real Discount Rates.* A forecast of real interest rates from which the inflation premium has been removed and based

on the economic assumptions from the 2008 Budget is presented below. These real rates are to be used for discounting

constant-dollar flows, as is often required in cost-effectiveness analysis.

**REAL INTEREST RATES ON TREASURY NOTES AND BONDS OF SPECIFIED MATURITIES**

[In percent]

| 3-Year | 5-Year | 7-Year | 10-Year | 20-Year | 30-Year |
|--------|--------|--------|---------|---------|---------|
| 2.5    | 2.6    | 2.7    | 2.8     | 3.0     | 3.0     |

Analyses of programs with terms different from those presented above may use a linear interpolation. For

example, a four-year project can be evaluated with a rate equal to the average of the three-year and five-year

rates. Programs with durations longer

than 30 years may use the 30-year interest rate.

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**PENSION BENEFIT GUARANTY CORPORATION**

**Required Interest Rate Assumption for Determining Variable-Rate Premium for Single-Employer Plans; Interest on Late Premium Payments; Interest on Underpayments and Overpayments of Single-Employer Plan Termination Liability and Multiemployer Withdrawal Liability; Interest Assumptions for Multiemployer Plan Valuations Following Mass Withdrawal**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Notice of interest rates and assumptions.

**SUMMARY:** This notice informs the public of the interest rates and assumptions to be used under certain Pension Benefit Guaranty Corporation regulations. These rates and assumptions are published elsewhere (or can be derived from rates published elsewhere), but are collected and published in this notice for the convenience of the public. Interest rates are also published on the PBGC's Web site (<http://www.pbgc.gov>).

**DATES:** The required interest rate for determining the variable-rate premium under part 4006 applies to premium payment years beginning in January 2007. The interest assumptions for performing multiemployer plan valuations following mass withdrawal under part 4281 apply to valuation dates occurring in February 2007. The interest rates for late premium payments under part 4007 and for underpayments and overpayments of single-employer plan termination liability under part 4062 and multiemployer withdrawal liability under part 4219 apply to interest accruing during the first quarter (January through March) of 2007.

**FOR FURTHER INFORMATION CONTACT:** Catherine B. Klion, Manager, Regulatory and Policy Division, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202-326-4024. (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

**SUPPLEMENTARY INFORMATION:**

**Variable-Rate Premiums**

Section 4006(a)(3)(E)(iii)(II) of the Employee Retirement Income Security

Act of 1974 (ERISA) and § 4006.4(b)(1) of the PBGC's regulation on Premium Rates (29 CFR part 4006) prescribe use of an assumed interest rate (the "required interest rate") in determining a single-employer plan's variable-rate premium. Pursuant to the Pension Protection Act of 2006, for premium payment years beginning in 2006 or 2007, the required interest rate is the "applicable percentage" (currently 85 percent) of the annual rate of interest determined by the Secretary of the Treasury on amounts invested conservatively in long-term investment grade corporate bonds for the month preceding the beginning of the plan year for which premiums are being paid (the "premium payment year"). Thus, the required interest rate to be used in determining variable-rate premiums for premium payment years beginning in January 2007 is 4.89 percent (*i.e.*, 85 percent of the 5.75 percent composite corporate bond rate for December 2006 as determined by the Treasury).

On December 2, 2005, the Internal Revenue Service published proposed regulations containing updated mortality tables for determining current liability under section 412(l)(7) of the Code and section 302(d)(7) of ERISA for plan years beginning on or after January 1, 2007, <http://www.irs.gov/pub/irs-regs/12498805.pdf>. If these regulations are finalized and effective for plan years beginning on or after January 1, 2007, the required interest rate to be used in determining variable-rate premiums would be 100 percent (instead of 85 percent) of the composite corporate bond rate. If the required interest rate for premium payment years beginning in January 2007 changes, the PBGC will promptly publish a **Federal Register** notice with the new rate.

The following table lists the required interest rates to be used in determining variable-rate premiums for premium payment years beginning between February 2006 and January 2007.

| For premium payment years beginning in: | The required interest rate is: |
|---|--------------------------------|
| February 2006 .....                     | 4.80                           |
| March 2006 .....                        | 4.87                           |
| April 2006 .....                        | 5.01                           |
| May 2006 .....                          | 5.25                           |
| June 2006 .....                         | 5.35                           |
| July 2006 .....                         | 5.36                           |
| August 2006 .....                       | 5.36                           |
| September 2006 .....                    | 5.19                           |
| October 2006 .....                      | 5.06                           |
| November 2006 .....                     | 5.05                           |
| December 2006 .....                     | 4.90                           |
| January 2007 .....                      | 4.89                           |

**Late Premium Payments; Underpayments and Overpayments of Single-Employer Plan Termination Liability**

Section 4007(b) of ERISA and § 4007.7(a) of the PBGC's regulation on Payment of Premiums (29 CFR part 4007) require the payment of interest on late premium payments at the rate established under section 6601 of the Internal Revenue Code. Similarly, § 4062.7 of the PBGC's regulation on Liability for Termination of Single-Employer Plans (29 CFR part 4062) requires that interest be charged or credited at the section 6601 rate on underpayments and overpayments of employer liability under section 4062 of ERISA. The section 6601 rate is established periodically (currently quarterly) by the Internal Revenue Service. The rate applicable to the first quarter (January through March) of 2007, as announced by the IRS, is 8 percent.

The following table lists the late payment interest rates for premiums and employer liability for the specified time periods:

| From—         | Through— | Interest rate (percent) |
|---------------|----------|-------------------------|
| 4/1/00 .....  | 3/31/01  | 9                       |
| 4/1/01 .....  | 6/30/01  | 8                       |
| 7/1/01 .....  | 12/31/01 | 7                       |
| 1/1/02 .....  | 12/31/02 | 6                       |
| 1/1/03 .....  | 9/30/03  | 5                       |
| 10/1/03 ..... | 3/31/04  | 4                       |
| 4/1/04 .....  | 6/30/04  | 5                       |
| 7/1/04 .....  | 9/30/04  | 4                       |
| 10/1/04 ..... | 3/31/05  | 5                       |
| 4/1/05 .....  | 9/30/05  | 6                       |
| 10/1/05 ..... | 6/30/06  | 7                       |
| 7/1/06 .....  | 3/31/07  | 8                       |

**Underpayments and Overpayments of Multiemployer Withdrawal Liability**

Section 4219.32(b) of the PBGC's regulation on Notice, Collection, and Redetermination of Withdrawal Liability (29 CFR part 4219) specifies the rate at which a multiemployer plan is to charge or credit interest on underpayments and overpayments of withdrawal liability under section 4219 of ERISA unless an applicable plan provision provides otherwise. For interest accruing during any calendar quarter, the specified rate is the average quoted prime rate on short-term commercial loans for the fifteenth day (or the next business day if the fifteenth day is not a business day) of the month preceding the beginning of the quarter, as reported by the Board of Governors of the Federal Reserve System in Statistical Release H.15 ("Selected Interest Rates"). The rate for the first