



SAFEGUARDS INFORMATION

Duke Energy Corporation

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H. B. Barron
Vice President

March 18, 2002

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

McGuire Nuclear Station
Facility Operating License Nos. NPF-9 and NPF-17
NRC Docket Nos. 50-369 and 50-370

Re: **RESPONSE TO COMMISSION ORDER TO MODIFY LICENSE FOR
INTERIM SAFEGUARDS AND SECURITY COMPENSATORY MEASURES**

Gentlemen:

In accordance with 10 C.F.R. § 50.4, Duke Energy Corporation hereby submits its response to the Interim Safeguards and Security Compensatory Measures Order ("Order") issued by the United States Nuclear Regulatory Commission ("NRC") on February 25, 2002 for McGuire Nuclear Station. The attachment to this letter contains safeguards information, as defined in 10 C.F.R. § 73.21. Duke Energy Corporation therefore requests that the attachment be withheld from public disclosure.

The attachment to this letter provides a response to each requirement set forth in Attachment 2 to the Order. As more specifically described in the response, McGuire Nuclear Station has either started or already completed implementation of the requirements set forth in Attachment 2 of the Order. Also, in each case, the response and proposed schedule for achieving compliance is based on our understanding of Expectations and Guidance, such understanding coming from our attendance at the safeguards meetings held between the NRC and the Nuclear Energy Institute ("NEI") on February 21 and 27, 2002 at NRC and as documented in the March 8, 2002 letter from NEI to Chief Nuclear Officers providing Security Order Guidance. This guidance was determined to be an acceptable method for licensee implementation of the interim compensatory measures in a letter to Mr. Ralph Beedle, Senior Vice President and Chief Nuclear Officer, NEI from Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, dated March 11, 2002. In the circumstance where the NEI guidance needs further clarification or a method of compliance differs from that discussed in the Order or the NEI guidance, this is explicitly discussed in the response to each requirement. Finally, Duke's response to each of the requirements set forth in the Order is intended to be representative of our method of compliance. We do not intend to supplement our response in the event of minor deviations from the method

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* 5/20/02
1 copy advanced
to B. Martin

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of compliance set forth in our response, provided compliance with the Order is maintained and the change is internally documented.

Pursuant to the requirements of 10 C.F.R. § 2.202(b), the Answer to the Order is being transmitted to the NRC under separate cover. In most respects, the Answer consents to the Order. With respect to certain interim compensatory measures in Attachment 2 of the Order that are identified in the attachment, Duke Energy Corporation is requesting an extension of time in which to request a hearing. This request is being made via a separate letter to the Director, Office of Nuclear Reactor Regulation.

The attachment to this letter contains "Safeguards Information." Upon separation of the attachment, this cover letter is to be considered DECONTROLLED.

Questions regarding this submittal should be directed to Kay Crane, McGuire Regulatory Compliance at (704) 875-4306.



H. B. Barron

Attachment

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STATE OF North Carolina

The above-subscribed individual appeared before me and made oath that he is duly authorized to execute this response on behalf of McGuire Nuclear Station, the statements contained within this response are true to the best of his knowledge and belief, and that copies of the response were sent to the addressee and listed individuals.

Before me,

Deborah G. Thrap, Deborah G. Thrap 3/18/02
Notary Public
My Commission Expires: 4/6/2002

CC:

Secretary (without attachments)
Office of the Secretary
U.S. Nuclear Regulatory Commission
ATTN: Rulemakings and Adjudications
Staff
Washington, DC 20555-0001

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