



## SAFEGUARDS INFORMATION

### Duke Energy Corporation

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H. B. Barron  
Vice President

September 4, 2002

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

**SUBJECT:** Duke Energy Corporation  
McGuire Nuclear Station, Units 1 and 2  
Docket Numbers 50-369 and 50-370  
Supplemental Response to NRC Order for Interim Safeguards and Security  
Compensatory Measures for McGuire Nuclear Station dated February 25, 2002

- REFERENCES:**
- 1) Letter, Duke Energy Corporation to U.S. Nuclear Regulatory Commission, Document Control Desk, Dated March 18, 2002, **SUBJECT:** Response to Commission Order to Modify License for Interim Safeguards and Security Compensatory Measures.
  - 2) Letter, Duke Energy Corporation to U.S. Nuclear Regulatory Commission, Document Control Desk, Dated April 30, 2002, **SUBJECT:** Revised Response to Item 5.d of the NRC Order for Interim Safeguards and Security Compensatory Measures for McGuire Nuclear Station dated February 25, 2002.
  - 3) Letter, Duke Energy Corporation to U. S. Nuclear Regulatory Commission, Document Control Desk, Dated July 18, 2002, **SUBJECT:** Updated Response to ICM B.1.c of the NRC Order for Interim Safeguards and Security Compensatory Measures dated February 25, 2002.
  - 4) Letter, U. S. Nuclear Regulatory Commission to H. B. Barron, Dated May 23, 2002, **SUBJECT:** William B. McGuire Nuclear Station, Units 1 and 2 – Reply to Response to Order for Interim Safeguards and Security Compensatory Measures (TAC Nos. MB4144 and MB4145).

Gentlemen:

On February 25, 2002, the NRC issued the Interim Safeguards and Security Compensatory Measures Order ("Order") for McGuire Nuclear Station Units 1 and 2. Based on consultations with the NRC staff, the Nuclear Energy Institute ("NEI") developed and distributed to McGuire Nuclear Station and other licensees guidance documents designed to assist in implementation of the Order. The NRC staff reviewed the NEI guidance document and by letter dated March 11, 2002 from Mr. Sam Collins, Director, Office of

**NOTICE:** Attachment 1 to this letter contains "SAFEGUARDS INFORMATION." Upon separation of the Attachment 1, this letter is "DECONTROLLED."

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Nuclear Reactor Regulation to Mr. Ralph Beedle, Senior Vice President and Chief Nuclear Officer, NEI, indicated such guidance to be an acceptable method for licensee implementation of the interim compensatory measures. By Reference 1, McGuire Nuclear Station submitted its response to the Order. By Reference 2 and 3, McGuire submitted supplemental responses to provide the NRC additional details to support their review of the McGuire response.

Recent discussions between the industry and the NRC have resulted in a revision to the guidance document prepared by the NEI to incorporate new insights and to include amplifying guidance relative to certain aspects of the interim compensatory measures (ICMs). McGuire has reviewed the revised guidance and determined that additional clarification of the McGuire response to item 5.f of the Order is warranted. Also, a self-assessment was performed to provide assurance of adequate and effective implementation of the NRC Order. This self-assessment recommended additional clarifications to items 1.b, 1.d, 2.b and 4.b.

In accordance with 10 C.F.R. § 50.4, Duke Energy Corporation hereby submits a supplemental response to Interim Compensatory Measures (ICMs) 1.b, 1.d, 2.b, 4.b and 5.f of the Order. Attachment 1 to this letter contains safeguards information, as defined in 10 C.F.R. § 73.21. Duke Energy Corporation therefore requests that Attachment 1 be withheld from public disclosure.

The revised response set forth in Attachment 1 to this letter supersedes McGuire's previous response(s) to these ICMs. In each case, the response is based on our understanding of revision 1 to the industry guidelines for assessing and responding to the safeguard and security ICMs, as transmitted to the NRC on July 24, 2002. 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. Roy P. Zimmerman, Office of Nuclear Security and Incident Response, dated July 26, 2002.

In Reference 4, the NRC staff responded to McGuire's Reference 1 and 2 letters and stated, "We therefore expect you to inform us of any changes you intend relating to the actions described in your response." McGuire has had discussions with members of the NRC staff on whether this language requires NRC approval before implementation of the above-referenced revisions. Based on these discussions, it is McGuire's understanding that prior NRC approval is not required, though McGuire is required to document changes to our response the Order. This documentation is reflected in Attachment 1.

**Attachment 1 to this letter contains "Safeguards Information." Upon separation of Attachment 1, this cover letter is to be considered DECONTROLLED.**

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



H. B. Barron

Attachment 1

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**SAFEGUARDS INFORMATION**

STATE OF NORTH CAROLINA

H. B. Barron, being duly sworn, states that he is Site Vice President of Duke Energy Corporation; that he is authorized on the part of said corporation to sign and file with the Nuclear Regulatory Commission this response on behalf of Duke Energy Corporation; and that all statements and matters set forth herein are true and correct to the best of his knowledge.

H. B. Barron

H. B. Barron, Site Vice President

Subscribe and sworn before me,

Deborah G. Thrap

Notary Public

Deborah G. Thrap

My Commission Expires: 4/6/2007

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CC:

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