

SAFEGUARDS INFORMATION

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August 27, 2002

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

SUBJECT: Duke Energy Corporation
Catawba Nuclear Station, Units 1 and 2
Docket Numbers 50-413 and 50-414
Supplemental Response to NRC Order for Interim Safeguards and Security
Compensatory Measures for Catawba 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 NRC Order for Interim Safeguards and Security Compensatory Measures for Catawba Nuclear Station dated February 25, 2002.
 - 2) Letter, Duke Energy Corporation to U.S. Nuclear Regulatory Commission, Document Control Desk, Dated May 1, 2002, SUBJECT: Revised Response to NRC Order for Interim Safeguards and Security Compensatory Measures for Catawba Nuclear Station dated February 25, 2002.
 - 3) Letter, U.S. Nuclear Regulatory Commission to Duke Energy Corporation. Dated May 29, 2002, SUBJECT: Catawba Nuclear Station, Units 1 and 2 - Reply to Response to Order For Interim Safeguards and Security Compensatory Measures For (TAC Nos. MB4110 and MB4111)

Gentlemen:

On February 25, 2002, the NRC issued the Interim Safeguards and Security Compensatory Measures Order ("Order") for Catawba Nuclear Station Units 1 and 2. Based on consultations with the NRC staff, the Nuclear Energy Institute ("NEI") developed and distributed to Catawba 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 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, Catawba Nuclear Station submitted its response to the Order. By Reference 2 Catawba submitted a revised response to provide the NRC additional details to support their review of the Catawba response.

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

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Recent discussions between the industry and the NRC have resulted in a revision to the guidance document prepared by the Nuclear Energy Institute (NEI) to incorporate new insights and to include amplifying guidance relative to certain aspects of the interim compensatory measures (ICMs). Catawba has reviewed the revised guidance and determined that some additional revisions to the implementation of the Order were warranted.

In accordance with 10 C.F.R. § 50.4, Duke Energy Corporation hereby submits a supplemental response to items B.2.a.(1), B.2.a(2), B.2.b, and B.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 to items B.2.a(1), B.2.a(2), B.2.b, and B.5.f set forth in Attachment 1 to this letter supersedes Catawba's previous response(s) to such items. In each case, the response and schedule for achieving compliance 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 3, the NRC staff responded to Catawba'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." Catawba 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 Catawba's understanding that prior NRC approval is not required, though Catawba is required to document changes to our response the Order to the NRC. This documentation is reflected in Attachment 1.

If you have any questions regarding this submittal, please contact William T. Byers III at 803-831-3761.

Sincerely,



Gary R. Peterson

Attachment 1

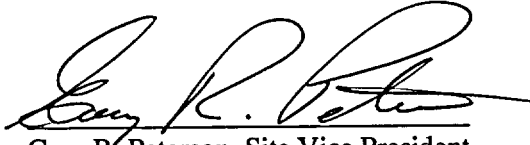
NOTICE: Attachment 1 to this letter contains "SAFEGUARDS INFORMATION." Upon separation of the Attachment 1, this letter is "DECONTROLLED."

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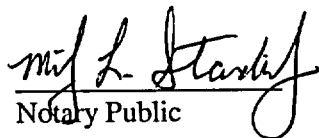
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STATE OF SOUTH CAROLINA

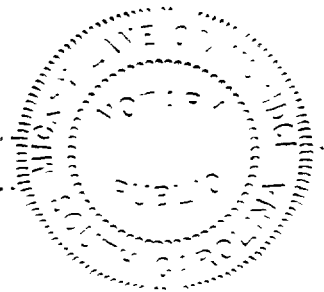
Gary R. Peterson, being duly sworn, states that he is Site Vice President of Duke Energy Corporation; that he is authorized on the part of said corporation to sign and file with the Nuclear Regulatory Commission this response on behalf of Duke Energy Corporation; and that all statements and matters set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


Gary R. Peterson, Site Vice President

Subscribe and sworn before me,


Notary Public

My Commission Expires: 7-10-2012



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CC:

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xc w/o attachment:

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Catawba Master File CN04DM
RGC Date File