

March 14, 2003

Mr. Daniel K. McRailey
DNS SGRH Project Manager
Duke Power Company
Oconee Nuclear Station
7800 Rochester Highway
Seneca, SC 29672

RE: Oconee Reactor Vessel Head Replacement Project
PO# NS 886
Duke File: OS-289

Dear Mr. McRailey:

Duke Power Company is proposing to import from Canada three reactor vessel closure heads and associated equipment for end use at the Oconee Nuclear Power station. Under Nuclear Regulatory Commission (NRC) regulations, unless an exemption from licensing requirements is issued, this equipment must be imported pursuant to a specific license issued by the NRC. I am writing to advise you that after consultation with the U.S. Department of State, the NRC staff reached the conclusion, on its own initiative, that pursuant to 10 CFR § 110.10(a), Duke Power Company be granted an exemption from the specific license requirement.

As the licensee for the Oconee reactors, Duke Power Company is authorized to receive and possess the items proposed for export from Canada for use at their facilities. Import of the reactor vessel closure heads does not raise any public health and safety or common defense and security issues. Accordingly, I have exempted these proposed imports from NRC licensing requirements found in 10 CFR Part 110 after finding pursuant to 10 CFR 110.10(a) that issuance of this exemption is: (1) is authorized by law; (2) is not inimical to the common defense and security; and (3) does not constitute an unreasonable risk to the public health and safety. I also note that the granting of an exemption does not relieve any person from complying with the regulations of other Government agencies applicable to exports or imports under their authority.

If you have any questions, please contact me at 301-415-2344 or Janice Owens at 301-415-3684.

Sincerely,

/RA/

Edward T. Baker, Deputy Director
Office of International Programs

cc: R. DeLaBarre, DOS
C. Martin, DOS
A. Scheinman, DOE/NNSA
R. Goorevich, DOE/NNSA
S. Davis, DOE/NNSA

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