

April 11, 2005

EA-04-190

Mr. Harry B. Barron  
Group Vice President, Nuclear Generation  
and Chief Nuclear Officer  
Duke Energy Corporation  
P.O. Box 1006 - EC07H  
Charlotte, NC 28201-1006

SUBJECT: OCONEE NUCLEAR STATION, UNITS 1, 2, AND 3, WILLIAM B. MCGUIRE  
NUCLEAR STATION, UNITS 1 AND 2, AND CATAWBA NUCLEAR STATION,  
UNITS 1 AND 2 - REQUEST FOR EXTENSION OF TIME TO REPLY TO  
NOVEMBER 5, 2004, ORDER IMPOSING REQUIREMENTS FOR  
PROTECTING CERTAIN SAFEGUARDS INFORMATION

Dear Mr. Barron:

By letter dated November 22, 2004, you requested an extension of time to respond to the above referenced Order. You requested the extension until 20 days after receiving clarifications from the U.S. Nuclear Regulatory Commission (NRC) regarding differences between the implementation of the SAFEGUARDS information - MODIFIED HANDLING (SGI-M) requirements provided in the November 5, 2004, Order, and the SAFEGUARDS Information program carried out by your facility for handling SAFEGUARDS information (SGI) pertaining to special nuclear material under the provisions of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 73.21. In your extension request, you indicated that the SGI-M designated information transmitted with the Order would be managed during the extension period under the provisions of the 10 CFR Part 73 SAFEGUARDS Information program currently being used at your facility.

Licensees who currently have a SAFEGUARDS Information program approved under 10 CFR 73.21 may use that program to control SGI-M, as designated by Commission Orders. The NRC considers that 10 CFR Part 73 SAFEGUARDS Information programs are adequate for protection of SGI-M. As a general matter, an acceptable response to the November 5, 2004, Order, is that the designated SGI-M will be handled under the same provisions as the current 10 CFR Part 73 SAFEGUARDS Information program.

Licensees who currently have a SAFEGUARDS Information program approved under 10 CFR 73.21 will find it necessary to ensure that their program adequately addresses the following circumstances associated with SGI-M:

1. When information is transmitted, whether by letter or electronic means, to a licensee who only has an SGI-M program, the handling provisions described in the November 5, 2004, Order, must be followed to prevent the receiving licensee from potentially violating the provisions of the Order. Specifically, licensees with approved 10 CFR Part 73 SAFEGUARDS Information programs should ensure that the provisions of the November 5, 2004, Order, associated with double wrapping, electronic transfer, portion marking, and top and bottom SGI-M page designations on each page are carried out when information is transmitted to a licensee who has an SGI-M program.

These SGI-M handling provisions need only be applied to SGI-M which is received or generated after the date of the November 5, 2004, Order. It should not be construed that SGI documents administered under the 10 CFR Part 73 SAFEGUARDS Information program are to be retroactively modified to conform to the SGI-M marking designations.

2. SGI-M may be stored in a key-locked filing cabinet, whereas 10 CFR Part 73 SGI must be stored in an approved security container. Licensees who currently have a SAFEGUARDS Information program approved under 10 CFR 73.21, and respond that all SGI-M will be managed under the 10 CFR Part 73 program, could either: (a) store SGI-M in accordance with its SAFEGUARDS Information program under 10 CFR Part 73; or (b) modify their procedures to allow SGI-M storage in a key-locked filing cabinet, in compliance with the November 5, 2004, Order. This modification, if adopted, would help to avoid potential inadvertent violations of the facility's SAFEGUARDS Information program, if the SGI-M is not stored in a security container approved for SGI.

This letter clarifies the issues you raised, which constituted good cause for an extension, and grants your request for an extension of time to respond to the November 5, 2004, Order, until 20 days from the date of this letter.

Please contact the NRC licensing project manager if you have any questions regarding these clarifications.

Sincerely,

*/RA/*

J. E. Dyer, Director  
Office of Nuclear Reactor Regulation

Docket Nos. 50-269, 50-270, 50-287, 50-369, 50-370, 50-413, and 50-414

cc: See next page

1. When information is transmitted, whether by letter or electronic means, to a licensee who only has an SGI-M program, the handling provisions described in the November 5, 2004, Order, must be followed to prevent the receiving licensee from potentially violating the provisions of the Order. Specifically, licensees with approved 10 CFR Part 73 SAFEGUARDS Information programs should ensure that the provisions of the November 5, 2004, Order, associated with double wrapping, electronic transfer, portion marking, and top and bottom SGI-M page designations on each page are carried out when information is transmitted to a licensee who has an SGI-M program.

These SGI-M handling provisions need only be applied to SGI-M which is received or generated after the date of the November 5, 2004, Order. It should not be construed that SGI documents administered under the 10 CFR Part 73 SAFEGUARDS Information program are to be retroactively modified to conform to the SGI-M marking designations.

2. SGI-M may be stored in a key-locked filing cabinet, whereas 10 CFR Part 73 SGI must be stored in an approved security container. Licensees who currently have a SAFEGUARDS Information program approved under 10 CFR 73.21, and respond that all SGI-M will be managed under the 10 CFR Part 73 program, could either: (a) store SGI-M in accordance with its SAFEGUARDS Information program under 10 CFR Part 73; or (b) modify their procedures to allow SGI-M storage in a key-locked filing cabinet, in compliance with the November 5, 2004, Order. This modification, if adopted, would help to avoid potential inadvertent violations of the facility's SAFEGUARDS Information program, if the SGI-M is not stored in a security container approved for SGI.

This letter clarifies the issues you raised, which constituted good cause for an extension, and grants your request for an extension of time to respond to the November 5, 2004, Order, until 20 days from the date of this letter.

Please contact the NRC licensing project manager if you have any questions regarding these clarifications.

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cc: See next page

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