

Duke Power
EC07H / 526 South Church Street
Charlotte, NC 28202-1802

Mailing Address:
P. O. Box 1006 - EC07H
Charlotte, NC 28201-1006

704 382 2200

704 382 6056 fax

hbarron@duke-energy.com

March 4, 2005

U.S. Nuclear Regulatory Commission
Document Control Desk
Washington, D.C. 20555

**Subject: Duke Energy Corporation
Plans for Submitting a Combined Construction and Operating License (COL)
Application**

The purpose of this letter is to inform the NRC staff of Duke Energy Corporation's (Duke's) plans to prepare a COL application. As you know, Duke is in the initial stages of planning the preparation of a COL application for a new nuclear generating facility to be sited within the Duke Power service territory. The objective of this planning effort is to maintain the option to bring a new nuclear plant into service during the next decade. Our efforts in this area do not supplant the company's involvement with NuStart Energy Development, LLC.

Duke is currently performing a study of the scope, schedule and costs for preparing a COL application. This study is scheduled for completion in March 2005. Upon completion of this study, Duke plans to request quotes from suppliers to support Duke in actually preparing a COL application. Contingent upon management approval, we anticipate award of contract with the preparation of a COL application beginning in May 2005.

Duke plans to prepare a COL application that includes plant siting. We are in the initial stages of work on site selection and reactor technology selection, and anticipate making both of these selection decisions by December 2005. With respect to reactor technology, we are presently considering the following three (3) technologies: General Electric's Economic Simplified Boiling Water Reactor - ESBWR; Framatome ANP's Evolutionary Pressurized Reactor - EPR and Westinghouse's Advanced Passive Pressurized Water Reactor - AP1000.

With the plant siting included in the COL application, Duke anticipates initiation of pre-COL application discussions with the NRC later in 2005. Our tentative schedule for submitting the COL application is early 2008. However, the study currently underway may identify some improvements or difficulties that may allow an earlier submittal or result in a schedule extension. Duke currently plans to provide the NRC with its detailed plans and schedule for pre-COL and COL activities by July 2005. At this time, Duke would like to discuss the allocation of staff resources and the plan to review the COL application submitted by Duke.

100 years
1901-2001
Heritage • Service • Vision

A001

If you have any questions or comments, please contact Bob Gill at (704) 382-3339.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry B. Barron". The script is cursive and fluid, with the first name "Henry" being the most prominent.

Henry B. Barron

xc: William Beckner, USNRC
Laura Dudes, USNRC