

April 28, 2005

Mr. Henry B. Barron
Group VP, Nuclear Generation and
Chief Nuclear Officer
Duke Power
P.O. Box 1006- EC07H
Charlotte, NC 28201-1006

Dear Mr. Barron:

This is in response to your February 28, 2005, letter requesting a fee waiver for the Oconee Power Station's license amendment request for transitioning to the new fire protection rule. Your request is based on your proposal that Oconee be considered a pilot plant for the initial implementation of performance-based fire protection using National Fire Protection Association Standard NFPA-805 under 10 CFR 50.48(c). For the reasons below, I am granting a fee waiver in accordance with the applicable provisions of 10 CFR 170.11.

On May 11, 2004, the Commission approved the new risk-informed, performance-based fire protection rule, 10 CFR 50.48(c), as an alternative to the deterministic requirements of 10 CFR Part 50, Appendix R, *Fire Protection Program for Nuclear Power Facilities Operating Prior to January 1, 1979*. The transition to the new licensing basis is voluntary. The Nuclear Regulatory Commission (NRC) has accepted Duke Power's voluntary offer for the Oconee Power Station to be a pilot plant to transition to 10 CFR 50.48(c). At the end of the transition, the licensee will submit a license amendment request to change to the new licensing basis.

At the Oconee Power Station, the NRC staff will be able to observe and review the transition to 10 CFR 50.48(c), as it progresses. The insights gained will be used to update inspection procedures. In addition, the license amendment submitted by Oconee will be used to prepare a template for future license amendment requests and to update the standard review plan for plants that plan to adopt 10 CFR 50.48(c). Based on this, I believe the waiver of 10 CFR Part 170 fees for the review of this license amendment request is appropriate.

Please contact Renu Suri, of my staff, at 301-415-0161 for any fee-related questions. For technical questions, please contact Paul Lain at 301-415-2346.

Sincerely,

/RA/

Jesse L. Funches
Chief Financial Officer

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 Group VP, Nuclear Generation and
 Chief Nuclear Officer
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Jesse L. Funches
 Chief Financial Officer

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