

SAFEGUARDS INFORMATION



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U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
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Subject: Duke Energy Corporation
Oconee Nuclear Station, Units 1, 2, and 3
NRC Docket Nos. 50-269, 50-270, 50-287
McGuire Nuclear Station, Units 1 and 2
NRC Docket Nos. 50-369, 50-370
Catawba Nuclear Station, Units 1 and 2
NRC Docket Nos. 50-413, 50-414

Response to NRC Guidance Regarding Mitigation Strategies provided by
letter dated February 25, 2005.

By letter dated February 25, 2005, the NRC provided guidance for satisfactory compliance with Order EA-02-026 (Order), previously issued on February 25, 2002. Specifically, the letter requested Duke Energy Corporation (Duke) evaluate the additional considerations contained within the guidance letter for inclusion in site mitigation strategies and provide a response by May 31, 2005.

In response to this request, please find enclosed Attachments 1, 2, 3, 4 and 5. Attachment 1 provides a summary of the regulatory history associated with this Order and other information regarding this response. Attachments 2, 3, and 4 provide the guidance documentation for Oconee, McGuire, and Catawba Nuclear Stations, respectively. Attachment 5 contains a listing of the commitments contained in this submittal.

If there are any questions concerning the contents of this submittal, please contact Dana Boies, 704-382-1694.

Very truly yours,

James R. Morris

Attachments

NOTE: ATTACHMENTS 2, 3, AND 4 TO THIS LETTER CONTAIN "SAFEGUARDS INFORMATION" AND MUST BE PROTECTED ACCORDINGLY. THIS LETTER, AND ATTACHMENTS 1 AND 5 ARE "DECONTROLLED" UPON REMOVAL OF ATTACHMENTS 2, 3, AND 4.

SAFEGUARDS INFORMATION

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xc:

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Attachment 1

Summary of the Regulatory History Associated with Order EA-02-026

By letter dated February 25, 2002, the NRC issued the Order for Interim Safeguards and Security Compensatory Measures (Order EA-02-026) for NRC Docket Nos. 50-269, 50-270, 50-287, Oconee Nuclear Station (Oconee), NRC Docket Nos. 50-369, 50-370, McGuire Nuclear Station (McGuire), and NRC Docket Nos. 50-413, 50-414, Catawba Nuclear Station (Catawba). Order EA-02-026 imposed requirements on nuclear power plants licensed pursuant to the Atomic Energy Act of 1954 and Title 10 of the Code of Federal Regulations. Section III.A of Order EA-02-026 required licensees to implement certain changes in physical security plans and safeguards contingency plans on an interim basis until final requirements were established. Among other requirements, Duke was required to complete implementation of the requirements of Section II.B.5.b. of Order EA-02-026 by August 31, 2002.

The NRC issued an Order dated April 29, 2003, Requiring Compliance with Revised Design Basis Threat for Operating Power Reactors (Order EA-03-086). In some ways, Order EA-03-086 superseded requirements imposed by Order EA-02-026.

Duke has implemented the required actions of Orders EA-02-026 and EA-03-086 at Oconee, McGuire, and Catawba.

By letter dated February 25, 2005, the NRC provided guidance for satisfactory compliance with Order EA-02-026. Specifically, the letter identified several Areas of Consideration and requested Duke to evaluate the additional considerations contained within the guidance letter for inclusion in site mitigation strategies.

Subsequently, the Nuclear Energy Institute (NEI), in conjunction with the NEI Security Working Group, developed and issued guidance for licensee use (NEI Guidance) to assist licensees in responding to the February 25, 2005, letter.

As requested in the February 25, 2005, letter, Duke has reviewed the information contained therein using the NEI Guidance. Attachments 2, 3, and 4 provide the results of the review contained in both the NRC letter and the NEI guidance. These attachments also describe the considerations that Duke either has already implemented or intends to implement at Oconee, McGuire, and Catawba by August 31, 2005.

Per the NRC guidance, the primary guiding principles used in the conduct of this review were:

- (1) whether or not equipment and resources were readily available, and
- (2) if equipment is readily available, can it be effectively utilized in a licensee's mitigating strategy.

Duke considers that "readily available" means that the equipment or resource is already licensee-owned, under contract, or provided through an existing Memorandum of Understanding. Further, even if equipment and resources are readily available, the second principle set forth above ensures that the equipment can be used in a mitigating strategy in an effective manner.

In accordance with these principles, mitigative strategies are being implemented consistent with the guidance set forth in the NRC B.5.b. Guidance. These strategies are considered to be commitments for that purpose and will be managed in accordance with Duke's commitment management program. Attachment 5 to this letter is the schedule that Duke has developed regarding the implementation of commitments resulting from the reviews documented in Attachment 2, 3, and 4.