

July 29, 2005

Mr. C. S. Hinnant
Senior Vice President and Chief Nuclear Officer
Progress Energy, Inc.
P.O. Box 1551
411 Fayetteville Street Mall
Raleigh, NC 27602

Dear Mr. Hinnant:

This is in response to your June 10, 2005, letter requesting a fee waiver for the Shearon Harris Nuclear Power Plant's, Unit 1 (Harris) license amendment request for transitioning to the new fire protection rule. Your request is based on your proposal that Harris 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 Progress Energy's voluntary offer for Harris 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 Harris, 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 Harris 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, 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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/RA/
Jesse L. Funches
Chief Financial Officer

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