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February 3, 2006

U. S. Nuclear Regulatory Commission
Washington, DC 20555

Attention: Document Control Desk

RE: Duke Energy Corporation License Amendment Request
Conversion from Corporation to Limited Liability Company

Dear Sir or Madam:

In relation to Duke Energy Corporation's request for an indirect license transfer, the Nuclear Regulatory Commission has asked what steps would be involved in converting Duke Energy Corporation, a North Carolina corporation, to a North Carolina limited liability company. The steps are as follows:

Obtain the authority of the board and shareholder(s) of the corporation to convert (holding company is the sole shareholder of Duke Energy Corporation immediately following the initial merger of Duke Energy Corporation with the merger sub).

File certificate of conversion with the North Carolina Secretary of State's office.

File information certification of the limited liability company with the North Carolina Secretary of State's office and adopt a limited liability company agreement, similar to bylaws for a corporation.

The effect upon the company of the conversion is governed by statutes in both the North Carolina Business Corporation Act (Section 55-11A-13) and the North Carolina Limited Liability Company Act (Section 57C-9A-04(a)), the relevant portions of which are enclosed herein. The conversion statutes are very clear that, while its "form of organization" ceases, there is not dissolution of the converting entity, and that the entity maintains its existence through the conversion, along with all of its property, rights, and obligations.

Sincerely yours,

Timika Shafeek-Horton
Assistant General Counsel
Office of the General Counsel
Duke Power - Nuclear
Duke Energy Corporation

Enclosures

M001

Timika Shafeek-Horton affirms that she is the person who subscribed her name to the foregoing statement, and that all the matters and facts set forth herein are true and correct to the best of her knowledge.

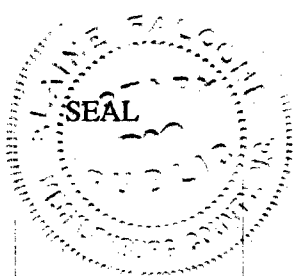
Timika Shafeek-Horton

Timika Shafeek-Horton
Assistant General Counsel
Office of the General Counsel
Duke Power - Nuclear
Duke Energy Corporation

Subscribed and sworn to me: February 3, 2006
Date

Elaine Falcone, Notary Public

My commission expires: February 27, 2006
Date



NC Business Corporation Act

§ 55-11A-13. Effects of conversion.

(a) When the conversion takes effect:

- (1) The converting domestic corporation ceases its prior form of organization and continues in existence as the resulting business entity;**
- (2) The title to all real estate and other property owned by the converting domestic corporation continues vested in the resulting business entity without reversion or impairment;**
- (3) All liabilities of the converting domestic corporation continue as liabilities of the resulting business entity;**
- (4) A proceeding pending by or against the converting domestic corporation may be continued as if the conversion did not occur;**
- (5) The shares in the converting domestic corporation that are to be converted into interests, obligations, or securities of the resulting business entity or into the right to receive cash or other property are thereupon so converted, and the former shareholders of the converting domestic corporation are entitled only to the rights provided in the plan of conversion or any rights they may have under Article 13 of this Chapter; and**
- (6) The resulting business entity is deemed to agree that it will promptly pay to the dissenting former shareholders of the converting domestic corporation the amount, if any, to which they are entitled under Article 13 of this Chapter and otherwise to comply with the requirements of Article 13 as if it were a domestic corporation.**

The conversion shall not affect the liability or absence of liability of any shareholder of the converting domestic corporation for any acts, omissions, or obligations of the converting domestic corporation made or incurred prior to the effectiveness of the conversion. The cessation of the existence of the converting domestic corporation in its form of organization as a domestic corporation in the conversion shall not constitute a dissolution or termination of the converting domestic corporation.

(b) If the resulting business entity is not a domestic limited liability company or a domestic limited partnership, when the conversion takes effect the resulting business entity is deemed:

- (1) To agree that it may be served with process in this State for enforcement of (i) any obligation of the converting domestic corporation, the rights of dissenting shareholders of the converting domestic corporation under Article 13 of this Chapter, and (iii) any obligation of the resulting business entity arising from the conversion; and**
- (2) To have appointed the Secretary of State as its agent for service of process in any proceeding described in subdivision (1) of this subsection. Service on the Secretary of State of any such process shall be made by delivering to and leaving with the Secretary of State, or with any clerk authorized by the Secretary of State to accept service of process, duplicate copies of the process and the fee required by G.S.**

NC Limited Liability Company Act

§ 57C-9A-04. Effects of conversion.

When the conversion takes effect:

- (1) The converting business entity ceases its prior form of organization and continues in existence as the resulting domestic limited liability company;
- (2) The title to all real estate and other property owned by the converting business entity continues vested in the resulting domestic limited liability company without reversion or impairment;
- (3) All liabilities of the converting business entity continue as liabilities of the resulting domestic limited liability company;
- (4) A proceeding pending by or against the converting business entity may be continued as if the conversion did not occur; and
- (5) The interests in the converting business entity that are to be converted into interests, obligations, or securities of the resulting domestic limited liability company or into the right to receive cash or other property are thereupon so converted, and the former holders of interests in the converting business entity are entitled only to the rights provided in the plan of conversion.

The conversion shall not affect the liability or absence of liability of any holder of an interest in the converting business entity for any acts, omissions, or obligations of the converting business entity made or incurred prior to the effectiveness of the conversion. The cessation of the existence of the converting business entity in its prior form of organization in the conversion shall not constitute a dissolution or termination of the converting business entity. (1999-369, s. 3.7.)