



**JAMES R MORRIS**  
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February 6, 2006

U. S. Nuclear Regulatory Commission  
Washington, DC 20555-0001  
ATTENTION: Document Control Desk

Subject: Duke Energy Corporation

Oconee Nuclear Station, Units 1, 2 and 3  
Renewed Facility Operating License Nos. DPR-38, DPR-47, DPR-55  
Docket Nos. 50-269, 50-270, 50-287

McGuire Nuclear Station, Units 1 and 2  
Renewed Facility Operating License Nos. NPF-9, NPF-17  
Docket Nos. 50-369, 50-370

Catawba Nuclear Station, Units 1 and 2  
Renewed Facility Operating License Nos. NPF-35, NPF-52  
Docket Nos. 50-413, 50-414

Oconee Nuclear Station  
Independent Spent Fuel Storage Installation  
NRC License No. SNM-2503  
Docket No. 72-004

Conversion from Corporation to Limited Liability Company

On August 5, 2005, Duke Energy Corporation (Duke Energy) submitted to the Nuclear Regulatory Commission (NRC), an Application for Consent to the Indirect Transfer of Control of Licenses and for Conforming License Amendments Pursuant to 10 CFR 50.80, 10 CFR 50.90, 10 CFR 72.50, and 10 CFR 72.56 (Application). On November 28 and December 14, 2005, Duke Energy provided supplemental information for this Application.

Subsequent to the Application, the NRC staff 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:

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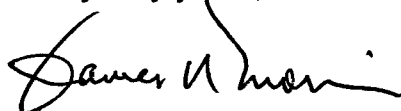
1. Obtain the authority of the board and shareholders(s) of the corporation to convert (holding company is the sole shareholder of Duke Energy Corporation immediately following the initial merger of Duke Energy Corporation with the merger sub).
2. File certificate of conversion with the North Carolina Secretary of State's office.
3. 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), 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.

On September 16, 2005, the above information was provided to Susan Uttal, Counsel for NRC Staff; however, the correspondence was not submitted in accordance with 10 CFR 50.4(a) and 10 CFR 50.30(b). After conversation with John F. Stang, Jr., NRC Project Manager on this date, the NRC is requesting that Duke re-submit the above information pursuant to 10 CFR 50.4(a) and 10 CFR 50.30(b). A copy of the September 16 letter is enclosed.

If you have any questions regarding this information, please contact Timika Shafeek-Horton at (704) 382-6373.

Very truly yours,



James R. Morris

Enclosures

U. S. Nuclear Regulatory Commission  
February 6, 2006  
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xc:

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U.S. Nuclear Regulatory Commission  
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61 Forsyth St., SW  
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M. C. Shannon  
NRC Senior Resident Inspector  
Oconee Nuclear Station

L. N. Olshan, Senior Project Manager (ONS)  
U.S. Nuclear Regulatory Commission  
11555 Rockville Pike  
Mail Stop 0-8 G9A  
Rockville, MD 20852-2738

J. B. Brady  
NRC Senior Resident Inspector  
McGuire Nuclear Station

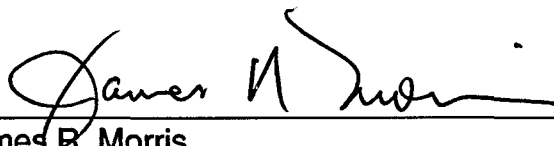
J. F. Stang, Jr., Senior Project Manager (CNS & MNS)  
U. S. Nuclear Regulatory Commission  
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Mail Stop 0-8 H 4A  
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E. F. Guthrie  
NRC Senior Resident Inspector  
Catawba Nuclear Station

H. J. Porter, Assistant Director  
Division of Radioactive Waste Management  
Bureau of Land and Waste Management  
South Carolina Department of Health and  
Environmental Control  
2600 Bull St.  
Columbia, SC 29201

B. O. Hall, Section Chief  
Division of Environmental Health, Radiation  
Protection Section  
North Carolina Department of Environment and  
Natural Resources  
1645 Mail Service Center  
Raleigh, NC 27699

James R. Morris affirms that he is the person who subscribed his name to the foregoing statement, and that all the matters and facts set forth herein are true and correct to the best of his knowledge.



James R. Morris

Subscribed and sworn to me: February 6, 2006  
Date



Notary Public

My Commission Expires: February 27, 2006  
Date

  
SEAL

# *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.)



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tshafeek@duke-energy.com

September 16, 2005

Susan L. Uttal  
Office of General Counsel  
U.S. Nuclear Regulatory Commission  
One White Flint North  
11555 Rockville Pike  
Rockville, Maryland 20852-2738

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

Dear Ms. Uttal:

On September 12, 2005, you asked me 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:

1. 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).
2. File certificate of conversion with the North Carolina Secretary of State's office.
3. 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,

A handwritten signature in cursive script that reads "Timika Shafeek-Horton".

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

Enclosures