

September 30, 2008

Mr. J. R. Morris
Site Vice President
Catawba Nuclear Station
Duke Energy Carolinas, LLC
4800 Concord Road
York, SC 29745

SUBJECT: CATAWBA NUCLEAR STATION, UNIT 1, ISSUANCE OF CONFORMING AMENDMENT REGARDING DIRECT TRANSFER OF THE SALUDA RIVER ELECTRIC COOPERATIVE, INC.'S UNDIVIDED OWNERSHIP INTEREST IN CATAWBA NUCLEAR STATION, UNIT 1, TO DUKE ENERGY CAROLINAS, LLC, AND NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATION (TAC NO. MD7705)

Dear Mr. Morris:

By Order dated September 25, 2008, the U.S. Nuclear Regulatory Commission (NRC) approved the direct transfer of the Saluda River Electric Cooperative, Inc.'s undivided ownership interest in the Catawba Nuclear Station Unit 1 (Catawba 1), to Duke Energy Carolinas, LLC, a current owner and operator, and North Carolina Electric Membership Corporation (NCEMC), a current owner, and approved a conforming amendment, pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Part 50, Section 50.80 and 10 CFR 50.90 to reflect the change in ownership. The Order will be published in the *Federal Register* on or about October 1, 2008. By letter dated September 26, 2008, Duke Energy Carolinas, LLC, notified the NRC that the transfer would be complete on September 30, 2008.

Proof that the required insurance in accordance with 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," was provided by the American Nuclear Insurers by letter dated September 25, 2008. The Duke Energy Carolinas, LLC, letter dated September 26, 2008, also satisfied the required conditions of the Order.

Accordingly, the NRC has issued the enclosed Amendment No. 245 to Renewed Facility Operating License No. NPF-35 for Catawba 1 (Enclosure 1). The safety evaluation supporting this conforming amendment will be published with the Order.

Enclosure 2 contains 3 signed originals of Amendment No. 12 to Indemnity Agreement No. B-100, which is required in connection with the direct transfer of the license. Please sign all 3 and keep 2 of these originals for your records. Return 1 original to the NRC for proof of acceptance.

J. Morris

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A Notice of Issuance will be included in the Commission's biweekly *Federal Register* notice.

Sincerely,

/RA/

John Stang, Senior Project Manager
Plant Licensing Branch II-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-413

Enclosures:

1. Amendment No. 245 to NPF-35
2. Indemnity Agreement No. B-100

cc w/encls: See next page

J. Morris

- 2 -

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John Stang, Senior Project Manager
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Office of Nuclear Reactor Regulation

Docket No. 50-413

Enclosures:

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2. Indemnity Agreement No. B-100

cc w/encls: See next page

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Package Accession Number: ML08082730521

Amendment Accession Number: ML08082730498

Indemnity Agreement Accession Number ML08082730498

OFFICE	NRR/LPL2-1/PM	NRR/LPL2-1/LA	OGC	NRR/LPL2-1/BC	OD/NRR
NAME	JStang	MO'Brien	SUttal	MCWong	ELeeds
DATE	09/29/08	09/29/08	9/26/2008	09/29/08	9/25/2008

OFFICAL RECORD COPY

Catawba Nuclear Station, Units 1 & 2

cc:

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DUKE ENERGY CAROLINAS, LLC.
NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATION
SALUDA RIVER ELECTRIC COOPERATIVE, INC.
DOCKET NO. 50-413
CATAWBA NUCLEAR STATION, UNIT 1
AMENDMENT TO RENEWED FACILITY OPERATING LICENSE

Amendment No. 245
Renewed License No. NPF-35

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment to the Catawba Nuclear Station, Unit 1 (the facility) Renewed Facility Operating License No. NPF-35 filed by the Duke Energy Carolinas, LLC, acting for itself, North Carolina Electric Membership Corporation and Saluda River Electric Cooperative, Inc. (licensees), dated December 20, 2007, as supplemented by letter dated May 29, 2008, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations as set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is hereby amended by page changes as indicated in the attachment to this license amendment, and paragraph 2.C.(2) of Renewed Facility Operating License No. NPF-35 is hereby amended to read as follows:

(2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 245, which are attached hereto, are hereby incorporated into this license. Duke Energy Carolinas, LLC, shall operate the facility in accordance with the Technical Specifications.

3. This license amendment is effective as of its date of issuance and shall be implemented within 30 days of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to License No. NPF-35

Date of Issuance: September 30, 2008

ATTACHMENT TO LICENSE AMENDMENT NO. 245
RENEWED FACILITY OPERATING LICENSE NO. NPF-35
DOCKET NO. 50-413

Replace the following pages of the Renewed Facility Operating License with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Remove

License Pages

1

2

3

4

Insert

License Pages

1

2

3

4

DUKE ENERGY CAROLINAS, LLC

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATION

DOCKET NO. 50-413

CATAWBA NUCLEAR STATION, UNIT 1

RENEWED FACILITY OPERATING LICENSE

Renewed License No. NPF-35

1. The U.S. Nuclear Regulatory Commission (Commission) having previously made the findings set forth in License No. NPF-35 issued on January 17, 1985, has now found that:
 - A. The application for renewed operating license filed by the Duke Energy Corporation* acting for itself and North Carolina Electric Membership Corporation (the licensees) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
 - B. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1), and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by this renewed operating license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for Catawba Nuclear Station, Unit 1 (facility or plant), and that any changes made to the plant's current licensing basis in order to comply with 10 CFR 54.29(a) are in accord with the Act and the Commission's regulations;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance in Section 2.D. below);
 - D. There is reasonable assurance: (i) that the activities authorized by this renewed operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I; (except as exempted from compliance in Section 2.D. below);

* Duke Energy Corporation converted to Duke Power Company LLC on April 3, 2006 and was re-named Duke Energy Carolinas, LLC as of October 1, 2006. References to "Duke" are to Duke Energy Carolinas, LLC, which is an owner and the operator of Catawba Nuclear Station, Unit 1, and one of the "licensees."

- E. Duke Energy Carolinas, LLC* is technically qualified to engage in the activities authorized by this renewed operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter 1;
 - F. The licensees have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements", of the Commission's regulations;
 - G. The issuance of this renewed operating license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of this Renewed Facility Operating License No. NPF-35 is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied, and;
 - I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this renewed operating license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.
2. Based on the foregoing findings and the Partial Initial Decisions issued by the Atomic Safety and Licensing Boards dated June 22, September 18, and November 27, 1984, regarding this facility and satisfaction of conditions therein imposed, except as hereinafter set forth, and the Commission's vote on January 17, 1985, Facility Operating License No. NPF-31 issued on December 6, 1984, superseded by Facility Operating License No. NPF-35 issued on January 17, 1985, is superseded by Renewed Facility Operating License No. NPF-35, hereby issued to Duke Energy Carolinas, LLC, and the North Carolina Electric Membership Corporation to read as follows:
- A. This renewed operating license applies to the Catawba Nuclear Station, Unit 1, a pressurized water reactor and associated equipment (the facility) owned by Duke Energy Carolinas, LLC and the North Carolina Electric Membership Corporation. The facility is located on the licensees' site in York County, South Carolina, on the shore of Lake Wylie approximately 6 miles north of Rock Hill, South Carolina, and is described in the Updated Final Safety Analysis Report, as supplemented and amended, and in the Environmental Report, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:

*Duke Energy Carolinas, LLC is authorized to act as agent for the North Carolina Electric Membership Corporation and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

- (1) Duke Energy Carolinas, LLC, pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use, and operate the facility at the designated location in York County, South Carolina, in accordance with the procedures and limitations set forth in this renewed operating license;
 - (2) North Carolina Electric Membership Corporation to possess the facility at the designated location in York County, South Carolina, in accordance with the procedures and limitations set forth in this renewed operating license;
 - (3) Duke Energy Carolinas, LLC, pursuant to the Act and 10 CFR Part 70 to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Updated Final Safety Analysis Report, as supplemented and amended;
 - (4) Duke Energy Carolinas, LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70 to receive, possess and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
 - (5) Duke Energy Carolinas, LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components;
 - (6) Duke Energy Carolinas, LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility authorized herein, and;
 - (7) Duke Energy Carolinas, LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of McGuire Nuclear Station, Units 1 and 2, and Oconee Nuclear Station, Units 1, 2 and 3.
- C. This renewed operating license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:
- (1) Maximum Power Level

Duke Energy Carolinas, LLC is authorized to operate the facility at reactor core full steady state power level of 3411 megawatts thermal (100%) in accordance with the conditions specified herein.

(2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 245 which are attached hereto, are hereby incorporated into this renewed operating license. Duke Energy Carolinas, LLC shall operate the facility in accordance with the Technical Specifications.

(3) Updated Final Safety Analysis Report

The Updated Final Safety Analysis Report supplement submitted pursuant to 10 CFR 54.21(d), as revised on December 16, 2002, describes certain future activities to be completed before the period of extended operation. Duke shall complete these activities no later than December 6, 2024, and shall notify the NRC in writing when implementation of these activities is complete and can be verified by NRC inspection.

The Updated Final Safety Analysis Report supplement as revised on December 16, 2002, described above, shall be included in the next scheduled update to the Updated Final Safety Analysis Report required by 10 CFR 50.71(e)(4), following issuance of this renewed operating license. Until that update is complete, Duke may make changes to the programs described in such supplement without prior Commission approval, provided that Duke evaluates each such change pursuant to the criteria set forth in 10 CFR 50.59 and otherwise complies with the requirements in that section.

(4) Antitrust Conditions

Duke Energy Carolinas, LLC shall comply with the antitrust conditions delineated in Appendix C to this renewed operating license.

(5) Fire Protection Program (Section 9.5.1, SER, SSER #2, SSER #3, SSER #4, SSER #5)*

Duke Energy Carolinas, LLC shall implement and maintain in effect all provisions of the approved fire protection program as described in the Updated Final Safety Analysis Report, as amended, for the facility and as approved in the SER through Supplement 5, subject to the following provision:

The licensee may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

*The parenthetical notation following the title of this renewed operating license condition denotes the section of the Safety Evaluation Report and/or its supplement wherein this renewed license condition is discussed.

ENCLOSURE 2

INDEMNITY AGREEMENTS
REGARDING DIRECT TRANSFER OF THE
SALUDA RIVER ELECTRIC COOPERATIVE,
INC.'S UNDIVIDED OWNERSHIP INTEREST IN
CATAWBA NUCLEAR STATION, UNIT 1, TO
DUKE ENERGY CAROLINAS, LLC, A CURRENT
OWNER AND OPERATOR, AND NORTH
CAROLINA ELECTRIC
MEMBERSHIP CORPORATION, A CURRENT
OWNER