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March 6, 2001

U.S. Nuclear Regulatory Commission
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Subject: Duke Energy Corporation
Oconee Nuclear Station - Units 1, 2, and 3
Docket Nos. 50-269, 50-270, and 50-287
McGuire Nuclear Station - Units 1 and 2
Docket Nos. 50-369 and 50-370
Catawba Nuclear Station - Units 1 and 2
Docket Nos. 50-413 and 50-414
Implementation of Revised 10CFR50.59 and 10CFR72.48

Dear Sir or Madam:

The purpose of this letter is to inform the Nuclear Regulatory Commission of Duke Power Company's plan and schedule for implementing the requirements of 10CFR50.59 and 10CFR72.48, both entitled "Changes, Tests, and Experiments."

The effective dates for implementing the amended rules for 10CFR50.59 and 10CFR72.48 are March 13, 2001 and April 5, 2001, respectively. NRC Regulatory Issue Summary (RIS) 2001-03, dated January 23, 2001, provides guidance to licensees for the implementation of the requirements of the amended rules. The RIS recommends that licensees communicate with the NRC regarding their plan and schedule if implementation is scheduled to occur later than the effective dates.

Duke Power Company (Duke) plans to implement the evaluation processes conforming to these amended regulations at its nuclear stations and Independent Spent Fuel Storage Installations (ISFSI) simultaneously because similar methodologies are utilized to administer and control changes under both 10CFR50.59 and 10CFR72.48 at those facilities. Several individuals at our nuclear sites are required to conduct evaluations under both the 10CFR50.59 and 10CFR72.48 processes. Accordingly,

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implementation of the two processes at a single time would provide for the most orderly transition to the amended rules.

In addition, as part of our implementation planning, we account for major evolutions such as refueling outages. Both McGuire and Oconee have Spring 2001 refueling outages. Duke desires not to transition to the revised 10CFR50.59 and 10CFR72.48 rules during these refueling outages as the transition would place unnecessary burden on plant staff. Duke has, therefore, established its implementation schedule so as not to conflict with those activities. The established dates chosen provide adequate time after the completion of those outages to complete the necessary training prior to implementing the amended rules.

Consistent with the above, Duke has established the following dates for the implementation of 10CFR50.59:

10CFR50.59 - June 1, 2001 at the McGuire and Catawba Nuclear Stations.

10CFR50.59 - July 2, 2001 at the Oconee Nuclear Station.

Duke has established the following dates for the implementation of the amended definitions and evaluation criteria of 10CFR72.48(a)-(c):

10CFR72.48 - June 1, 2001 at the McGuire Nuclear Station.

10CFR72.48 - July 2, 2001 at the Oconee Nuclear Station.

Evaluations under either 10CFR50.59 or 10CFR72.48 started after the effective dates above will utilize the criteria of the new rules. Please note that the Catawba Nuclear Station does not currently have an ISFSI.

RIS 2001-03 states that the amended 10CFR50.59 is a relaxation of the existing requirements and, as a general matter, compliance with the old rule also satisfies the requirements of the amended rule. Thus, no scheduler exemption is required for licensees electing to delay implementation within a reasonable time, although providing notice to the NRC of the delay with

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supporting justification was requested. This letter satisfies that request.

RIS 2001-03 further instructs licensees, for whom Part 72 is applicable, to request a scheduler exemption if implementation of the amended 10CFR72.48 is planned to occur later than April 5, 2001. As described above, Duke plans to implement the amended Part 72 definitions and evaluation criteria at McGuire on June 1, and at Oconee on July 2, 2001, concurrent with implementation of the amended 10CFR50.59 requirements.

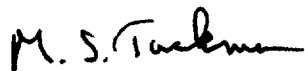
The RIS states that "... it is the NRC's view that both the old [10CFR72.48] rule and the new rule provide an acceptable level of safety." In promulgating the revision to 10CFR72.48, the Commission noted that the revised rule allows licensees greater flexibility than the existing rule to make changes without prior NRC approval.

Duke notes that the primary difference between the old and the revised rule is the additional record keeping and reporting requirements, which are both administrative in nature. Duke is in current compliance with the revised 10CFR72.48(d) record keeping requirements and will implement the reporting requirements of 10CFR72.48(d) at both the McGuire and Oconee Nuclear Stations, effective April 5, 2001. Therefore, Duke will be in compliance with RIS 2001-03 and the reporting and record keeping requirements of the amended 10CFR72.48 rule on April 5, 2001 and a request for scheduler exemption is unnecessary.

Unless informed to the contrary, we consider Duke's position on this matter to be acceptable to the NRC.

If you have any questions or require additional information in this matter, please contact Jeff Thomas at (704) 382-5826.

Very truly yours,

A handwritten signature in dark ink, appearing to read "M. S. Tuckman". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

M. S. Tuckman

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