



August 31, 2007

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-001

Subject: NRC Review of Application for Certificate of Compliance for NAC
MAGNASTOR Dry Storage System

Reference: "Resubmittal of NAC MAGNASTOR System Application for Approval
Docket No. 72-1031", Anthony L. Patko to U.S. Nuclear Regulatory
Commission Document Control Desk, August 6, 2007.

On August 6, 2007, NAC submitted an application to the NRC for a Certificate of Compliance (CofC) for the NAC MAGNASTOR spent fuel storage system. The purpose of this letter is to communicate to the NRC Duke Energy's need for timely review and approval.

Duke Energy is currently using the NAC-UMS system at the McGuire Nuclear Station. The current supply of 24 NAC-UMS systems at McGuire will maintain a prudent operating reserve in both spent fuel pools until September 2009. To support continued operation, additional dry storage systems need to be procured, delivered and loaded prior to September 2009.

To support this ongoing need, Duke Energy has recently entered into an agreement with NAC for the supply of additional systems at its McGuire Nuclear Station. The agreement includes a limited number of the current NAC-UMS systems to meet the September 2009 requirement.

Following this interim supply, McGuire's next loading campaign is August 2010. To support this need, Duke Energy intends to release MAGNASTOR for fabrication in January 2009 as specified in the existing agreement. The timing of this release is needed to support initial deliveries to permit dry runs prior to the initial loading in August 2010.

Duke Energy understands that MAGNASTOR does not yet have an approved CofC. However, as you may be aware, Duke Energy has closely followed the licensing of the MAGNASTOR system, attending numerous public meetings including the January 12, 2007 meeting just prior to NAC's withdrawal of the original application on January 26, 2007, and the last public meeting held on June 20, 2007 which served as a pre-application meeting for the re-submittal of the MAGNASTOR application on August 6, 2007. Furthermore, the NRC issued a preliminary staff evaluation for MAGNASTOR on July 24, 2007 for most of the technical areas analyzed to document the findings and conclusions reached by the staff in the initial review. The staff is expected to complete

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its evaluation and issue the remaining sections in the near future. Based on the progress to date of the staff's review of this system, it is believed that the MAGNASTOR CofC approval can be obtained in the timeframe needed to support Duke Energy's plans provided the staff commits adequate resources to the review.

Therefore, Duke Energy respectfully requests that the NRC provide a timely review of NAC's application for a Certificate of Compliance for the NAC MAGNASTOR system to support having an approved CofC in place prior to a release for fabrication in January 2009. Approval of the MAGNASTOR Certificate of Compliance is important in maintaining the spent fuel storage capacity and margins necessary to support the continued operation of the McGuire units beyond 2010.

Please contact Keith Waldrop at (704) 382-7999 if you have any questions concerning this request, or if you wish to discuss it further.

Sincerely,

A handwritten signature in dark ink, appearing to read "Thomas C. Geer", with a stylized flourish at the end.

T. C. Geer
Vice President
Nuclear Engineering

KPW

cc: E. W. Brach (NRC/SFST)
J. R. Hall (NRC/SFST)