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U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Attention: David Matthews, Director  
Division of New Reactor Licensing

Subject: Project Number 742  
Duke Energy Corporation  
Plans for Submitting a Combined Construction and Operating License  
(COL) Application

The purpose of this letter is to notify the NRC Staff regarding the selection of a site for a future nuclear generation facility by Duke Energy Corporation (Duke). In prior interactions with the Staff, Duke had indicated a siting decision would be made in early 2006.

The former Cherokee site, near Gaffney, SC, has been selected as the site for which Duke will develop a Combined Construction and Operating License (COL) application utilizing two Westinghouse AP1000 units. The site is undergoing confirmatory site characterization, and Duke is consulting with the Staff to coordinate schedule information and access to the site. Duke has entered into an agreement with the owner of this site, Cherokee Falls Development of South Carolina, LLC, an affiliate of the Southern Company, regarding joint ownership and project development arrangements for this property, under which a Duke affiliate will be the COL applicant/licensee.

Duke's communications to date have indicated a COL application submittal date of late 2007 or early 2008. Since our last letter, industry efforts to standardize COL application format and content have increased significantly. Duke intends to cooperate with efforts to facilitate such standardization, and expects its COL application date to be consistent with the industry's standardization approach, including the relationship to a "reference plant" application, as appropriate.

Duke concurrently is announcing designation of two additional sites for possible future Early Site Permit (ESP) development. These two sites, in Davie County, NC, and Oconee County, SC, will undergo limited site characterization in the future. Substantive work such as would require pre-application interactions with the Staff is not anticipated in the near term. Duke will coordinate such interactions at a later date, with ample advance notice to facilitate NRC Staff resource planning.

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If you have any questions, please contact Peter Hastings at (980) 373-7820.

Sincerely,



Henry B. Barron

xc: William Beckner, USNRC/HQ  
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