



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET SW SUITE 23T85
ATLANTA, GEORGIA 30303-8931**

September 15, 2003

~~SAFEGUARDS INFORMATION~~

Duke Energy Corporation
ATTN: Mr. G. R. Peterson
Vice President
McGuire Nuclear Station
12700 Hagers Ferry Road
Huntersville, NC 28078-8985

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SUBJECT: MCGUIRE NUCLEAR POWER PLANT - NRC SAFEGUARDS INSPECTION
REPORT 05000369/2003006 AND 05000370/2003006

Dear Mr. Peterson:

On August 7, 2003, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at your McGuire Nuclear Power Plant. The enclosed report documents the inspection findings, which were discussed on August 7, 2003, with you and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with an Order issued on February 25, 2002, which required your site to implement specific measures related to security of your facility. The inspection used Temporary Instruction 2515/148, "Inspection of Nuclear Reactor Safeguards Interim Compensatory Measures," to verify implementation of the Order as clarified in your responses dated March 18, April 30, July 18, September 4, and December 7, 2002. The inspection also included evaluations of other selected areas of the security program including performance indicators, access control, intrusion detection and assessment system testing, and aspects of contingency response. Within these areas, the inspection consisted of selected examination of procedures and records, observation of activities, and interviews with personnel.

Based on the results of this inspection one unresolved item was identified for which the significance has not yet been determined.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, without the enclosed Safeguards Information, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

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Should you have any questions concerning this letter, please contact us.

Sincerely,

/RA/

Anne T. Boland, Chief
Plant Support Branch
Division of Reactor Safety

Docket Nos. 50-369, 50-370
License Nos. NPF-9, NPF-17

Enclosures: 1. Inspection Report 05000369,370/2003006,
Non-Safeguards Summary of Findings
2. Inspection Report 05000369,370/2003006
w/Attachment: Supplemental Information
(**Contains Safeguards Information**)

cc w/encls: See Page 3

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ENCLOSURE 1

U.S. NUCLEAR REGULATORY COMMISSION

REGION II

Docket Nos.: 50-369, 50-370

License Nos.: DPR-9, DPR-17

Report No.: 05000369/2003006, 05000370/2003006

Licensee: Duke Power Corporation

Facility: McGuire Nuclear Plant, Units 1 and 2

Location: 12700 Hagers Ferry Road
Huntersville, NC 28078-8985

Dates: August 4-7, 2003

Inspectors: Lee R. Miller, Senior Operations Engineer
Donald B. Forbes, Physical Security Inspector
Jerry D. Ennis, Physical Security Inspector
Larry S. Mellen, Senior Emergency Preparedness Inspector

Approved by: Anne T. Boland, Chief
Plant Support Branch
Division of Reactor Safety

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SUMMARY OF FINDINGS

IR 0500369/2003-006, 05000370/2003-006; 08/4-7/2003; McGuire Nuclear Plant, Units 1 and 2; Temporary Instruction (TI) 2515/148, Verification of Compliance with Interim Compensatory Measures Order.

The report covered an announced inspection by two regional physical security inspectors, an emergency preparedness inspector, and a reactor operations inspector. One issue, the significance of which is to be determined, was identified. Pending further review, this issue is characterized as an unresolved item. The NRC's program for overseeing the safe operation of commercial nuclear power reactors is described in NUREG-1649, "Reactor Oversight Process," Revision 3, dated July 2000.

A. NRC-Identified and Self-Revealing Findings

Cornerstone: Physical Security

- (TBD) The inspectors identified an unresolved item concerning the licensee's implementation of Interim Compensatory Measure B.4.f of the February 25, 2002 Order. (Section V.F)

B. Licensee-Identified Violations

None

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