

August 6, 2004

LICENSEE: Duke Energy Corporation

FACILITY: Catawba Nuclear Station, Units 1 and 2, McGuire Nuclear Station, Units 1 and 2, and Oconee Nuclear Station, Units 1, 2, and 3

SUBJECT: SUMMARY - MEETING WITH DUKE ENERGY CORPORATION ON REQUEST TO MODIFY THE QUALITY ASSURANCE PROGRAM FOR THE CATAWBA, MCGUIRE, AND OCONEE NUCLEAR STATIONS (TAC NOS. MB7166, MB7167, MB7168, MB7169, MB7170, MB7171, AND MB7172)

Representatives of Duke Energy Corporation (DEC, the licensee), met with members of the Nuclear Regulatory Commission (NRC) staff at NRC Headquarters on July 27, 2004, in Rockville, Maryland. The meeting addressed issues related to the licensee's application dated December 18, 2002 (Reference 1), as supplemented by letters dated April 24 and October 16, 2003 (References 2 and 3), for Catawba Nuclear Station, Units 1 and 2, McGuire Nuclear Station, Units 1 and 2, and Oconee Nuclear Station Units 1, 2, and 3. In its application, the licensee requested approval of an amendment to the DEC Topical Report Duke-1-A, "Quality Assurance Program." A list of attendees is provided in Attachment 1 and the handouts provided in the meeting are included in Attachment 2.

BACKGROUND

By letter dated December 18, 2002, the licensee forwarded proposed Amendment 32 to DEC Topical Report Duke-1-A. This amendment included organizational, administrative, and editorial changes to the topical report. Furthermore, the amendment would eliminate holdpoint inspections for routine maintenance activities by substituting an indirect monitoring process. In DEC's evaluation of the proposed changes, the licensee determined that the elimination of the holdpoint inspections for routine maintenance would constitute a reduction in commitment. Discussions with DEC have indicated that the implementation of the proposed change would result in a reduction of holdpoint inspections for routine maintenance by approximately 75 percent. Revisions to licensee quality assurance programs are controlled by the change process defined under Title 10 of *The Code of Federal Regulations* (10 CFR) Part 50.54(a). As stated in 10 CFR 50.54(a)(4), changes that constitute reductions in commitments must be submitted to the NRC staff for approval prior to implementation.

Upon review of the licensee's submittal, by letter dated April 4, 2003 (Reference 4), the NRC staff requested additional information. The questions raised by the NRC staff mostly covered the classification of routine maintenance and holdpoints and the implementation of the proposed program. DEC responded to the questions by letter dated April 24, 2003 (Reference 2). However, by letter dated July 10, 2003 (Reference 5), the NRC staff informed the licensee that the submittal to date had not adequately or clearly described the scope of activities to which the proposed alternative would apply. Furthermore, the NRC staff determined that the description of the monitoring process was neither specific nor robust enough to demonstrate that process monitoring would maintain a level of control comparable

to holdpoint inspections. Therefore, the NRC staff requested further clarification regarding the scope of activities to which process monitoring would be applied, a description of the elements of the selection process, and a description of the proposed monitoring process. The licensee responded to the NRC staff's questions by letter dated October 16, 2003 (Reference 3). However, the NRC staff determined that this response was also inadequate to support approval of Amendment 32.

In order to facilitate continued review of this application, the licensee requested a meeting with the NRC to present their proposal. This meeting was held on April 8, 2004, at NRC Headquarters in Rockville, Maryland. The NRC issued a summary of this meeting on April 16, 2004 (Reference 6). At the conclusion of the meeting, Duke indicated that it would consider the information discussed and would submit a revised application for approval of Amendment 32 to Duke Topical Report Duke-1-A, that would supersede all of the previous submittals.

Subsequently, on June 1, 2004, the NRC held a conference call with Duke to discuss the status of the amendment request and to voice concerns with items that were not discussed during the April 8, 2004, meeting. The staff issued a summary of the conference call by letter dated June 28, 2004 (Reference 7). Because of this call, Duke indicated that it would consider the staff's issues in their subsequent process monitoring submittal.

In the interim, because of the uncertain timeline for resolution of the process monitoring amendment, by letter dated June 3, 2004 (Reference 8), Duke submitted a new Amendment 32 to Topical Report, Duke 1-A to make organizational, administrative, and editorial changes. Duke determined that this Amendment was not a reduction in commitment and, consequently, did not require NRC review or approval. Therefore, Duke requested that the process monitoring amendment be reviewed as Amendment 33 to the topical report.

Prior to submitting the revised Amendment 33, Duke requested a meeting with the NRC to discuss the proposed changes. The NRC held this meeting at NRC Headquarters on July 27, 2004.

SUMMARY OF MEETING

Duke's presentation utilized the enclosed handout, which is an advance copy of the Amendment 33 submittal, including proposed markups of section 17.3.2.12, "Inspection," of the Duke Topical Report, Duke-1-A (Attachment 2). In its presentation, Duke described its proposed Amendment 33, which would no longer use an indirect monitoring process instead of holdpoint inspections for routine maintenance activities. Alternatively, the amendment would revise Section 17.3.2.12, "Inspections," to align with the inspection requirements of 10 CFR Part 50, Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants."

In its analysis, Duke determined that Amendment 33 is a clarification that does not constitute a reduction in commitment and, therefore, does not require approval from the NRC. Based upon the discussion of the proposed changes, the NRC Staff agreed with Duke that the revision would not constitute a reduction in commitment.

CONCLUSION

At the conclusion of the meeting, the licensee indicated that it would withdraw its request for NRC approval of the original submittal dated December 18, 2002. Furthermore, Duke would incorporate Amendment 33 to Duke Topical Report Duke-1-A without seeking NRC approval.

No members of the public attended this meeting. There were no public comments.

REFERENCES

1. Letter from Michael S. Tuckman, Executive Vice President, Nuclear Generation, Duke Power to NRC, "Nuclear Quality Assurance Program Amendment 32," December 18, 2002.
2. Letter from W. R. McCollum, Senior Vice President, Nuclear Support, Duke Energy Corporation to NRC, "Duke Energy Topical Report, Duke-1-A, Amendment 32 Response to Request for Additional Information Letter Dated April 4, 2003," April 24, 2003.
3. Letter from W. R. McCollum, Senior Vice President, Nuclear Support, Duke Energy Corporation to NRC, "Duke Energy Topical Report, Duke-1-A, Amendment 32 Response to Request for Additional Information Letter Dated July 10, 2003," October 16, 2003.
4. Letter from Robert E. Martin, Senior Project Manager, NRC to Michael S. Tuckman, Executive Vice President, Duke Energy Corporation, "Duke Energy Corporation Nuclear Quality Assurance Program Request for Additional Information," April 4, 2003.
5. Letter from Robert E. Martin, Senior Project Manager, NRC to M. S. Tuckman, Executive Vice President, Duke Energy Corporation, "Catawba Nuclear Station, Units 1 and 2, McGuire Nuclear Station, Units 1 and 2 and Oconee Nuclear Station, Units 1, 2 and 3 Re: Nuclear Quality Assurance Program, Amendment 32 (TAC Nos. MB7166, MB7167, MB7168, MB7169, MB7170, MB7171 and MB7172)," July 10, 2003.
6. Meeting Summary by Sean E. Peters, Project Manager, NRC, "Summary - Meeting with Duke Energy Corporation on Request to Modify the Quality Assurance Program for the Catawba, McGuire, and Oconee Nuclear Stations (TAC Nos. MB7166, MB7167, MB7168, MB7169, MB7170, MB 7171, and MB 7172)," April 16, 2004.
7. Memorandum from Sean E. Peters, Project Manager, NRC, "Summary of June 1, 2004, Conference Call Regarding Duke Power Company's Request to Modify the Quality Assurance Program for the Catawba, McGuire, and Oconee Nuclear Stations (TAC Nos. MB7166, MB7167, MB7168, MB7169, MB7170, MB7171, and MB7172)," June 28, 2004.

8. Letter from Henry B. Barron, Group Vice President, Nuclear Generation and Chief Nuclear Officer, Duke Power to NRC, "Alternative Submittal of Duke Energy Topical Report, Duke-1-A, Amendment 32 (TAC Nos. MB7166, MB7167, MB7168, MB7169, MB7170, MB7171, MB7172), June 3, 2004.

Sincerely,

/RA/

Sean E. Peters, Project Manager, Section 1
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-413, 50-414, 50-369, 50-370, 50-269, 50-270, and 50-287

Attachments: 1. Attendance List
2. Meeting presentation materials

cc w/atts: See next page

8. Letter from Henry B. Barron, Group Vice President, Nuclear Generation and Chief Nuclear Officer, Duke Power to NRC, "Alternative Submittal of Duke Energy Topical Report, Duke-1-A, Amendment 32 (TAC Nos. MB7166, MB7167, MB7168, MB7169, MB7170, MB7171, MB7172), June 3, 2004.

Sincerely,

/RA/

Sean E. Peters, Project Manager, Section 1
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-413, 50-414, 50-369, 50-370, 50-269, 50-270, and 50-287

- Enclosures: 1. Attendance List
2. Meeting presentation materials

cc w/encls: See next page

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Meeting Notice:

Attachment 1:

Attachment 2: ML042190353 NRC-001

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ATTENDEES LIST

JULY 27, 2004

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Kenneth Isley	Duke Energy Corporation
Dennis Wright	Duke Energy Corporation
Luellen Jones	Duke Energy Corporation
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DISTRIBUTION FOR - SUMMARY - MEETING WITH DUKE ENERGY CORPORATION ON REQUEST TO MODIFY THE QUALITY ASSURANCE PROGRAM FOR THE CATAWBA, MCGUIRE, AND OCONEE NUCLEAR STATIONS (TAC NOS. MB7166, MB7167, MB7168, MB7169, MB7170, MB7171, MB7172)

Dated: August 6, 2004

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