



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
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ATLANTA, GEORGIA 30303-8931**

August 30, 2004

Carolina Power and Light Company
ATTN: Mr. C. J. Gannon
Vice President
Brunswick Steam Electric Plant
P. O. Box 10429
Southport, NC 28461-0429

**SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
BRUNSWICK STEAM ELECTRIC PLANT**

Dear Mr. Gannon:

On August 4, 2004, the NRC staff completed its mid-cycle plant performance assessment of the Brunswick Steam Electric Plant. The mid-cycle review for Brunswick involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2004 assessment cycle. The process included a review of performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility. This will allow you an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities. This performance review and the enclosed inspection plan do not include physical protection information. A separate mid-cycle performance review letter, designated and marked as "Proprietary Information in accordance with 10 CFR 2.390(d)(1)", will include the physical protection review and a resultant inspection plan.

The performance of Brunswick Unit 1 for the most recent quarter was within the Licensee Response Column of the NRC's Action Matrix. However, the performance of Unit 2 was in the Regulatory Response column based on a finding involving the failure to take adequate corrective action for conditions adverse to quality associated with an emergency diesel generator (EDG) jacket water cooling system (JWC). This corrective action failure resulted in the EDG being inoperable for a period in excess of the Technical Specifications allowed outage time. Specifically, excessive leakage occurred from the JWC system that resulted in an inoperable EDG from December 8, 2003, until it was corrected on January 7, 2004. Based on the performance of Unit 2, we informed you in a letter dated August 2, 2004, that we planned to conduct a Supplemental Inspection of Unit 2. This inspection has been scheduled for the week of December 6, 2004.

In addition, on April 7, 2004, the NRC issued a Notice of Violation and Proposed Imposition of Civil Penalty - \$88,000, to Carolina Power and Light Company (CP&L), in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," (Enforcement Policy), NUREG-1600. This Severity Level II violation involved employment discrimination contrary to the requirements of 10 CFR 50.7, "Employee Protection." CP&L discriminated

against a corporate site access authorization superintendent, when the individual was terminated from his employment on April 26, 1999, for engaging in a protected activity. CP&L had previously provided corrective action on this matter in a letter dated March 19, 2004, and on April 29, 2004, paid the civil penalty.

In our Annual Assessment Letter, dated March 3, 2004, we discussed a deficiency that involved a design review of a modification implemented on the Unit 2 reactor feed pump speed control system. This finding was subsequently evaluated as having very low safety significance (Green).

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2006. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last twelve months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (404) 562-4500 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Victor M. McCree, Director
Division of Reactor Projects

Docket Nos. 50-325, 50-324
Licensee Nos. DPR-71, DPR-62

Enclosure: Brunswick Inspection/Activity Plan

cc w/encl: (See page 3)

cc w/encl:

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| NAME | Pfredrickson:as | | | | | | | | |
| DATE | 08/26/2004 | | | | | | | | |
| E-MAIL COPY? | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO |
| PUBLIC DOCUMENT | YES NO | | | | | | | | |