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

March 2, 2006

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

SUBJECT: ANNUAL ASSESSMENT LETTER - MCGUIRE NUCLEAR STATION
(NRC INSPECTION REPORT 05000369/2006001 AND 05000370/2006001)

Dear Mr. Peterson:

On February 7, 2006, the NRC staff completed its performance review of the McGuire Nuclear Station. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2005. 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 performance review and enclosed inspection plan do not include physical protection information. A separate letter, designated and marked as “Official Use Only - Security-Related Information,” will include the physical protection performance review and resultant inspection plan.

Overall, McGuire Units 1 and 2 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, was within the Licensee Response column of the NRC’s Action Matrix. We base this conclusion on the fact that all inspection findings were classified as having very low safety significance (Green) and all PIs indicated performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility. We also plan on conducting several non-ROP inspections which include the independent spent fuel storage facility, reactor vessel head and head penetrations, containment emergency recirculation sump blockage, and initial reactor operator licensing examinations.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 2007. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised at the mid-cycle review. Although our intent is to maintain the enclosed inspection plan fixed for the first nine months, a need may arise to conduct one or more

unanticipated inspections prior to issuing an updated inspection plan with the 2006 assessment cycle mid-cycle letter. If an inspection of this type becomes necessary, we will notify you of the planned inspection dates as soon as possible to resolve, as much as we can, any scheduling and personnel availability conflicts you may have.

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 this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (404) 562-4540 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Michael E. Ernstes, Chief
Reactor Projects Branch 1
Division of Reactor Projects

Docket Nos.: 50-369, 50-370, 72-38
License Nos.: NPF-9, NPF-17

Enclosure: McGuire Inspection/Activity Plan

cc w/encl:
C. J. Thomas
Regulatory Compliance Manager (MNS)
Duke Energy Corporation
Electronic Mail Distribution

R. L. Gill, Jr., Manager
Nuclear Regulatory Issues
and Industry Affairs
Duke Energy Corporation
526 S. Church Street
Charlotte, NC 28201-0006

Lisa Vaughn
Associate General Counsel
Duke Energy Corporation
526 South Church Street
Mail Code EC 07H
Charlotte, NC 28201-1244

Anne Cottingham
Winston & Strawn LLP
Electronic Mail Distribution

Beverly Hall, Acting Director
Division of Radiation Protection
N. C. Department of Environmental
Health & Natural Resources
Electronic Mail Distribution

County Manager of Mecklenburg County
720 East Fourth Street
Charlotte, NC 28202

Peggy Force
Assistant Attorney General
N. C. Department of Justice
Electronic Mail Distribution

Distribution w/encl: (See page 4)

Distribution w/encl:
J. Stang, NRR
L. Slack, RII EICS
RIDSNRRDIPMLIPB
RIDSNRRDIRSLPAB
INPO
PUBLIC

☐ PUBLICLY AVAILABLE ☐ NON-PUBLICLY AVAILABLE ☐ SENSITIVE ☐ NON-SENSITIVE

ADAMS: ☐ Yes ACCESSION NUMBER:_____

OFFICE	RII:DRP						
SIGNATURE	CWR1						
NAME	CRapp:rcm						
DATE	03/01/06	3/ /2006	3/ /2006	3/ /2006	3/ /2006	3/ /2006	3/ /2006
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY DOCUMENT NAME: E:\Filenet\ML060610575.wpd