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

March 1, 2007

Duke Power Company LLC
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 05000369/2007001 AND 05000370/2007001)

Dear Mr. Peterson:

On February 8, 2007, the NRC technical staff completed its performance review of the McGuire Nuclear Station for the period from January 1 through December 31, 2006. Our technical staff reviewed 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 performance review and the enclosed inspection plan do not include physical protection information. A separate letter, designated and marked as "Exempt from Public Disclosure in Accordance with 10 CFR 2.390," will include the physical protection review and a 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 the first three quarters of the assessment cycle, was in the Licensee Response Column of the NRC's Action Matrix based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating 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 non-ROP inspections of the independent spent fuel storage facility, reactor vessel head and head penetrations, and containment emergency recirculation sump modifications. Additionally, initial reactor operator licensing examinations are scheduled.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 2008. The inspection plan is provided to minimize the resource impact on your staff and 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 twelve months of the inspection plan are tentative and may be revised at the mid-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) 562-4647 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

James H. Moorman, III, Chief
Reactor Projects Branch 1
Division of Reactor Projects

Docket Nos.: 50-369, 50-370
Licensee Nos.: NPF-9, NPF-17

Enclosure: McGuire Inspection/Activity Plan

cc w/encl: (See page 3)

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

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Letter to G. R. Peterson from James H. Moorman, III dated March 1, 2007.

SUBJECT: ANNUAL ASSESSMENT LETTER - MCGUIRE NUCLEAR STATION
(NRC INSPECTION REPORT 05000369/2007001 AND 05000370/2007001

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