UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

October 30, 2008

Mr. J. R. Morris
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Catawba Nuclear Station
Duke Energy Carolinas, LLC
4800 Concord Road
York, SC 29745

Mr. Bruce H. Hamilton
Vice President
McGuire Nuclear Station
Duke Energy Carolinas, LLC
12700 Hagers Ferry Road
Huntersville, NC 28078

SUBJECT: CATAWBA NUCLEAR STATION, UNITS 1 AND 2 AND MCGUIRE NUCLEAR STATION, UNITS 1 AND 2 - AUDIT OF THE LICENSEE'S MANAGEMENT OF REGULATORY COMMITMENTS (TAC NOS. ME0014, ME0015, ME0016, AND ME0017)

Dear Messrs. Morris and Hamilton:

Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, the Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document NEI 99-04, Guidelines for Managing NRC Commitment Changes, contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC's Office of Nuclear Reactor Regulation (NRR) has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that regulatory commitments are being effectively implemented.

An audit of the commitment management program for Catawba Nuclear Station, Units 1 and 2 (Catawba 1 and 2) and McGuire Nuclear Station, Units 1 and 2 (McGuire 1 and 2) was performed during the period March 15, 2008 through October 15, 2008. The audit was performed at Catawba 1 and 2 and McGuire 1 and 2 sites, as well as NRC Headquarters, using documentation provided by Duke Energy Carolinas, LLC, (the licensee) as requested by the NRC staff.

As discussed in the enclosed audit report, the NRC staff concludes that the licensee's procedure used to manage commitments provides the necessary attributes for an effective commitment management program. As such, the licensee's commitment management program has been effective with respect to: tracking regulatory commitments; annotating documents to provide traceability of commitments; and managing changes to commitments.

If you have any questions, please contact me at (301) 415-1345.

Sincerely,

John F. Stang, Senior Project Manager
Plant Licensing Branch II-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-369, 50-370, 40-413
and 50-415

Enclosure:
Audit Report

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UNITED STATES
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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

LICENSEE MANAGEMENT OF REGULATORY COMMITMENTS

CATAWBA NUCLEAR STATION, UNITS 1 AND 2

AND MCGUIRE NUCLEAR STATION, UNITS 1 AND 2

DOCKET NOS. 50-413, 50-414, 50-369, AND 50-370

1.0 INTRODUCTION AND BACKGROUND

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML003741774), the Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes" (ADAMS Accession No. ML003680088) contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC's Office of Nuclear Reactor Regulation (NRR) has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04 and that regulatory commitments are being effectively implemented.

NEI-99-04 defines a "regulatory commitment" as an explicit statement to take a specific action agreed to, or volunteered by, a licensee and submitted in writing on the docket to the NRC. NRR guidelines direct the NRR Project Manager to audit the licensee's commitment management program by assessing the adequacy of the licensee's implementation of a sample of commitments made to the NRC in past licensing actions (amendments, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.). The audit is to be performed every 3 years.

2.0 AUDIT PROCEDURE AND RESULTS

An audit of the commitment management program for Catawba Nuclear Station, Units 1 and 2 (Catawba 1 and 2) and McGuire Nuclear Station, Units 1 and 2 (McGuire 1 and 2) was performed during the period of March 15, 2008 through October 15, 2008. The audit was performed at Catawba 1 and 2 and McGuire 1 and 2 sites, as well as NRC Headquarters, using documentation provided by Duke Energy Carolinas, LLC, (the licensee) as requested by the NRC staff.

This was the first commitment management audit for both Catawba 1 and 2 and McGuire 1 and 2. The NRC staff reviewed commitments made during the period approximately 3 years prior to the audit. The audit consisted of two major parts: (1) verification of the licensee's

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implementation of NRC commitments that have been completed and (2) verification of the licensee's program for managing changes to NRC commitments.

2.1 Verification of Licensee's Implementation of NRC Commitments

The primary focus of this part of the audit is to confirm that the licensee has implemented commitments made to the NRC as part of past licensing actions/activities. For commitments not yet implemented, the NRC staff determines whether they have been captured in an effective program for future implementation.

2.1.1 Audit Scope

The audit addressed a sample of commitments made during the review period. The audit focused on regulatory commitments (as defined above) made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Before the audit, the NRC staff searched ADAMS for licensee commitments associated with Catawba 1 and 2 and McGuire 1 and 2 and a representative sample was selected for verification. The review included samples based on licensing actions and licensing activities with NRC issuance dates in 2005, 2006, 2007, and 2008. The commitments included in the review are shown in Table 1.

The list of the selected regulatory commitments for Catawba 1 and 2 and McGuire 1 and 2 as provided to the site licensing group with a request to provide plant documentation used to track each individual commitment. Also, the site personnel were requested to provide status and a copy of the revised documents (plant procedures, Updated Final Safety Analysis Report (UFSAR), Technical Specifications (TSs), etc.) for verification, if the required actions had already been completed. The regulatory commitments were reviewed against the plant documents to verify if the commitment had been implemented satisfactorily in accordance with the approved plant procedures.

LIC-105 limits the audit of commitments to those made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Accordingly, the audit excludes the following types of commitments:

(1) Commitments as a result of Licensee Event Reports (LER)s - These commitments are controlled by the licensee's LER process, which is imposed by Title 10 of the *Code of Federal Regulations* (10 CFR), Part 50, Section 50.73.

(2) Commitments made on the licensee's own initiative among internal organizational components.

(3) Commitments that pertain to milestones of licensing actions or activities (e.g., respond to an NRC request for additional information by a certain date). Fulfillment of these commitments was indicated by the fact that the subject licensing action or activity was completed.

(4) Commitments made as an internal reminder to take actions to comply with existing regulatory requirements such as regulations, TSs, and UFSARs. Fulfillment of these commitments was indicated by the licensee having taken timely action in accordance with the subject requirements.

2.1.2 Audit Results

The NRC staff reviewed the commitments listed in Table 1 to ensure that these commitments had been included in the plant data base that is used to track the commitments and evaluate the status of completion of each commitment. The NRC staff found that the licensee's commitment tracking program, which is the Plant Investigation Process (PIP), had captured the regulatory commitments that were identified by the NRC staff prior to the audit.

The NRC staff also reviewed plant procedures and other design bases documents that had been revised as a result of commitments made by the licensee to the NRC. These procedures and documents are identified in the right-hand column of Table 1. The NRC staff review indicated that:

1. All the regulatory commitments selected for the audit were being tracked.

2. Review of the plant documents for the completed commitments indicated that the commitments selected for the review were implemented as committed.

Table 1 summarizes the NRC staff's observations regarding the current status of the licensee commitments that were reviewed during the audit.

2.2 Verification of the Licensee's Program for Managing NRC Commitment Changes

The NRC staff reviewed the licensee's procedure, "Nuclear System Directive 214, Commitment Management Program," Revision 6, issued June 14, 2002, (NSD 214) against NEI 99-04 guidelines. In particular, Appendix A of NSD 214 defines the process for changing a commitment. In general, NSD 214 follows closely the guidance of NEI 99-04 in that it sets forth the need for identifying, tracking, and reporting commitments, and it provides a mechanism for changing commitments.

3.0 CONCLUSION

The NRC staff concludes, based on the above audit, that (1) the licensee had implemented, or is tracking for future implementation, its regulatory commitments; and (2) the licensee has implemented an effective program for managing changes to regulatory commitments.

4.0 DUKE PERSONNEL CONTACTED FOR THIS AUDIT

Catawba 1 and 2

R. Hart
A. Jackson
T. Baumgardner

McGuire 1 and 2

K. Crane
K. Ashe
L. Hentz
R. Branch
G. Graham

Attachment: Table 1

Principal Contributor: J. Stang

Date: October 30, 2008

TABLE 1
NRC Audit of Commitments Related to Catawba 1 and 2 and McGuire 1 and 2 Licensing Actions and Licensing Activities (See Note 1)

Item No.	Licensee Submittal (ADAMS Acc. No.) ---------- NRC Issuance (ADAMS Acc. No.)	Commitment as stated in Licensee Letter	Audit Results - Verification of Licensee's Implementation of Commitment
1	Letter dated 07/27/05 (ML052200436) ---------- Catawba and McGuire Amendments dated 09/30/06 (ML062540456)	This submittal made commitments as follows: "Provide operator training to reflect to change to the TSs. (PIP C-06-07067 and PIP-M-06 05110 corrective action (CA) #4) "Update the UFSAR to reflect the TS change (PIP C-06-07067 and PIP-M-06 05110 CA #18) Procedure change to allow use of grab samples as an alternative (PIP C-06-07067 and PIP-M-06 05110 corrective action CA #6) The amendment implementation time frame was within 60 days of issuance.	No findings identified by the audit. All commitments completed with the 60 day implementation period authorized by the NRC for the amendment.
2	Letter dated 06/29/05 (ML051890090) ---------- Catawba and McGuire License Amendment dated 09/25/06 (ML062510270)	This submittal made commitments as follows: "Provide operator training to reflect to change to the TSs." (PIP C-03-0457 and PIP M-06-0465 CA #42) "Update the UFSAR to reflect the TS change (PIP C-06-06737 and PIP M-06-0465 CA #43) Change the Emergency Operating Procedure to allow manual start of the VX fans (PIP C-03-0457 and PIP M-06-0465 CA)#42) The amendment implementation time frame was within 60 days of issuance.	No findings identified by the audit. All commitments completed with the 60 day implementation period authorized by the NRC for the amendment
3	Letter dated 03/29/07 (ML071020044) ----------	"This submittal made commitments as follows 1. Use a foreign material exclusion process during the	No findings identified by the audit. All commitments completed within the 30 day

Item No.	Licensee Submittal (ADAMS Acc. No.) ---------- NRC Issuance (ADAMS Acc. No.)	Commitment as stated in Licensee Letter	Audit Results - Verification of Licensee's Implementation of Commitment
	---------- Catawba 1 and 2 License Amendment dated 11/08/07 (ML073020585)	1. Use a foreign material exclusion process during the installation of the new strainer installed to meet the requirements of Generic Letter 2004-02. In addition perform video inspection of the strainer (PIP C-07-4762 and PIP M-07-02897 CA #4) NRC Inspection Report Dated 01/31/08 (ML080350444) 2. Visual inspection of the strainer prior to entering into MODE4 (PIP C-07-4762 and PIP M-07-02897 CA #4) NRC inspection report dated 01/31/08 (ML080350444) 3. Update the UFSAR to reflect the installation of the new strainer (PIP C-07-05970 and PIP M-07-02897 CA #1) The amendment implementation time frame was within 30 days of issuance.	All commitments completed within the 30 day implementation period authorized by the NRC for the amendment
4	Letter dated 02/07/08 (ML080510250) McGuire License Amendment dated 04/02/08 (ML0907090246) ---------- Catawba License Amendment dated 05/28/08 (ML081300037)	This submittal made commitments as follows 1. Change procedures following a seismic event to inspect the ice condenser ice baskets. (PIP C-08-03334 and PIP M-08-00873 CA#2) 2. Change the UFSAR to reflect the procedure change (PIP C-08-03334 and PIP M-08-00873 CA#3) The amendment implementation time frame was within 30 days of issuance	No findings identified by the audit. All commitments completed within the 30 day implementation period authorized by the NRC for the amendment

Item No.	Licensee Submittal (ADAMS Acc. No.) ---------- NRC Issuance (ADAMS Acc. No.)	Commitment as stated in Licensee Letter	Audit Results - Verification of Licensee's Implementation of Commitment
5	Letter dated 1/1/08 (ML080070060) ---------- Catawba Unit 1 Emergency Amendment dated 01/02/08 (ML080010003)	This submittal made commitments as follows 1. Specific components and trains have been identified that are not to be taken out of service on the affected unit while the 1B charging pump was out of service during the extended allowed outage time (PIP 08-00006 CA#1 and CA#7) 2. Any minor leakage present in the 1B Charging Pump room will be compared to new revised limits of 0.25 GPM established to ensure that the dose analysis for containment sump fluid leakage outside of the ECCS pump room areas is maintained well below Regulatory and Licensing limits. If leakage values exceed the new limit, the ventilation boundary integrity will be reestablished in accordance with the Hazard Barrier Manual requirements. During this period, if a reactor trip or safety injection were to occur on Unit 1, the ventilation boundary will be reestablished as required by the Hazard Barrier Manual (PIP C- 08-00006 CA#2) 3. Catawba Unit 1 will implement enhanced ECCS pump room area leakage checks for the duration of the 1B Charging Pump repair activities (PIP C-08-00006 CA#3) 4. The licensee will not allow any discretionary maintenance on switchyard components, the 1A and 1B emergency diesel generators, and the transformers that feed the 1A and 1B 4160 volt busses. (PIP C-08-00006 CA#5 "	No findings identified by the audit. All commitments completed by 01/03/08
6	Letter dated 06/07/07 (ML071590038) ---------- Emergency Technical	This submittal made commitments as follows 1. During the extended AOT when the A train of the Control Room Ventilation and Chilled Water system	No findings identified by the audit. All commitments completed by 06/07/07

Item No.	Licensee Submittal (ADAMS Acc. No.) ---------- NRC Issuance (ADAMS Acc. No.)	Commitment as stated in Licensee Letter	Audit Results - Verification of Licensee's Implementation of Commitment
	Emergency Technical Specification change to allow a one time extension of the allowed outage time (AOT) for the 1A Emergency Diesel Generator (ML071590263)	are returned to service they will remained aligned to Units 2 power. (PIP M-07-3439 CA#1) 2. All electric work will be suspended during the extended AOT. (PIP M-07-3439 CA#2) 3. During the extended AOT daily communications will take place between the McGuire operators and the Grid Operators to limit perturbations in the offsite power grid. (PIP M-07-3439 CA#3) 4. During the extended AOT maintenance of essential equipment in both units will not occur. (PIP M-07-3439 CA#4) 5. The following equipment will be protected during the extended AOT: 1ETA, 1ETB, 1A/2A Busline, 1B/2B Busline, 1ATC, 1ATD, SATA, SATB, Unit 1 Transformer Yard, Unit 2 Transformer Yard, Switchyard Standby Shutdown Facility, Unit 1 CA pumps, Unit 1 RN Pumps, 1B NV Pump, 1B ND Pump, Unit 1 KC, Pumps, 1B NI Pump, 1B NS Pump, B Train VC/YC, 1B EDG, and VI Compressors. (PIP M-07-3439 CA#5) 6. TS surveillances 3.3.5.1 for undervoltage and degraded voltage will not be performed during the extended AOT (PIP M-07-3439 CA#6)	

Note 1: The scope of the audit includes commitments associated with NRC licensing actions (e.g., amendment, relief, exemption, order) or licensing activities (bulletin, generic letter) during the previous 3 years. For purposes of this audit, the review included samples based on NRC issuance dates in 2006, 2007 and 2008.

October 30, 2008

As discussed in the enclosed audit report, the NRC staff concludes that the licensee's procedure used to manage commitments provides the necessary attributes for an effective commitment management program. As such, the licensee's commitment management program has been effective with respect to: tracking regulatory commitments; annotating documents to provide traceability of commitments; and managing changes to commitments.

If you have any questions, please contact me at (301) 415-1345.

Sincerely,

/RA/

John F. Stang, Senior Project Manager
Plant Licensing Branch II-2
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