June 27, 1986

Duke Power Company ATTN: Mr. H. B. Tucker, Vice President Nuclear Production Department 422 South Church Street Charlotte, NC 28242

Gentlemen:

SUBJECT: REPORT NOS. 50-369/85-38 AND 50-370/85-39

On October 15-17, 1985, and January 27-31, 1986, NRC inspected activities authorized by NRC Operating License Nos. NPF-9 and NPF-17 for your McGuire facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed inspection report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

The inspection findings indicate that certain activities violated NRC requirements. The violations, described in the enclosed inspection report are under consideration for enforcement action. Accordingly, a Notice of Violation is not being issued at this time. No response to this letter is required. However, please be advised that the number and characteristics of violations described in the enclosed report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

Your attention is invited to unresolved items identified in the inspection report. These matters will be pursued during future inspections.

A management meeting was held, at the licensee's request, in the NRC Region II offices on March 14, 1986, to discuss the status of the McGuire Nuclear Service Water System. Paragraph 11 of the inspection report details document that management meeting.

Should you have any questions concerning this letter, please contact us.

Sincerely,

(original signed by )

J. Nelson Grace Regional Administrator

Enclosure: (See page 2)

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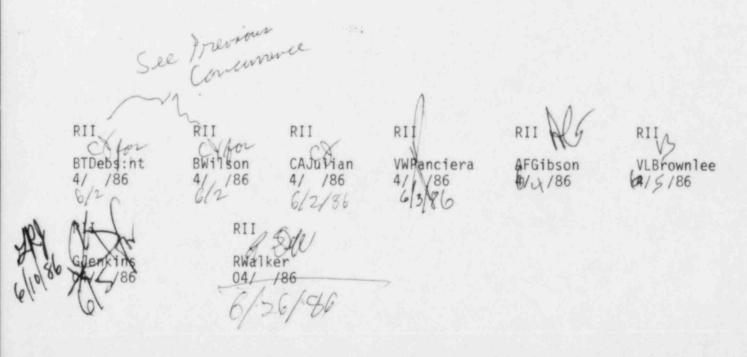
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Enclosure: Inspection Report Nos. 50-369/85-38 and 50-370/85-39

cc w/encl: /T. L. McConnell, Station Manager

bcc w/encl: NRC Resident Inspector D. Hood, NRR /Document Control Desk State of North Carolina

\*FOR PREVIOUS CONCURRENCE - SEE ATTACHED YELLOW

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*BTDebs:ht	*BWilson	*CAJulian	*VWPanciera	*AFGibson	*VLBrownlee
6/02/86	6/02/86	6/02/86	6/03/86	6/04/86	6/05/86

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\*GJenkins RWalker 06/10/86 06/ /86