

March 31, 2000

Duke Energy Corporation  
ATTN: Mr. G. R. Peterson  
Site Vice President  
Catawba Nuclear Station  
4800 Concord Road  
York, SC 29745

SUBJECT: PLANT PERFORMANCE REVIEW - CATAWBA NUCLEAR STATION

Dear Mr. Peterson:

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On February 23, 2000, we completed a plant performance review (PPR) of Catawba Nuclear Station. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from February 1, 1999, through January 31, 2000, but emphasized the last six months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at Catawba was provided to you in a letter dated March 25, 1999, and was discussed with you in a public meeting on June 18, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the systematic assessment of licensee performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued process improvements as we make the transition into the revised reactor oversight process. You will notice that the following summary of plant performance is organized differently from our previous performance summaries. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates

some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last six months, Unit 1 essentially operated at full power except for three power reductions; two of which were planned. Full power operations on Unit 2 were interrupted by five power reductions (three of which were prompted by equipment-related problems) and one reactor trip due to a shorted solenoid associated with the electro-hydraulic control system. Although the NRC noted some performance issues during the assessment period, Catawba continues to operate in a safe manner. In an effort to ensure that these issues are addressed, additional inspection resources will be allocated in certain areas as noted in this letter and the attached inspection plan.

Within the reactor safety strategic performance area, a demand failure of a residual heat removal (RHR) heat exchanger bypass control valve in 1997 resulted in a white performance indicator (PI) for safety system unavailability of the Unit 1 RHR system. Other than surveillance-related issues that were inspected in February 2000, our assessment did not identify any other significant performance issues in this strategic area. Consequently, except for addressing the white PI by performing a supplemental inspection of your associated corrective actions, only baseline inspections are planned.

We did not identify any significant performance issues in our assessment of the radiation safety strategic performance area. As a result, only baseline inspections have been scheduled.

Based on our assessment of the safeguards strategic performance area, only baseline inspections are currently planned. During a self-assessment meeting with the NRC on January 6, 2000, you discussed your performance in this strategic area, focusing on protected area security equipment performance. As you are aware, the PI thresholds for protected area security equipment performance are currently under review. We will evaluate the need for a supplemental inspection pending the results of the threshold review and review of your next quarter's plant specific PI. You will be informed of any supplemental inspection under separate correspondence.

Enclosure 1 contains a historical listing of plant issues, referred to as the plant issues matrix (PIM), that were used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support. Future PIMs will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence regarding Catawba. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at Catawba to allow you to resolve scheduling conflicts and personnel availability in advance of our inspectors' arrival onsite. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at Catawba or other nuclear facilities. We also included some NRC non-inspection activities in Enclosure 2 for your information. Routine resident inspections are not listed due to their ongoing and continuous nature.

We will inform you of any changes to the inspection plan. If you have any questions, please contact me at (404) 562-4510.

Sincerely,

*/RA/*

Charles R. Ogle, Chief  
Reactor Projects Branch 1  
Division of Reactor Projects

Docket Nos. 50-413, 50-414  
License Nos. NPF-35, NPF-52

Enclosures: 1. Plant Issues Matrix  
2. Inspection Plan

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