



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

ML#060610567/Package
ML#060610575/Letter
ML#060610587/Enclosure

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

McGuire
Inspection / Activity Plan
03/01/2006 - 09/30/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	EB1-CDBI	- COMPONENT DESIGN BASES INSPECTION	7			
1,2	IP 7111121	Component Design Bases Inspection		03/06/2006	03/10/2006	Baseline Inspections
1,2	IP 7111121	Component Design Bases Inspection		03/20/2006	03/24/2006	Baseline Inspections
1,2	IP 7111121	Component Design Bases Inspection		04/03/2006	04/07/2006	Baseline Inspections
1,2	IP 7111121	Component Design Bases Inspection		04/17/2006	04/21/2006	Baseline Inspections
	OL RQ	- REQUAL INSPECTION	2			
1,2	IP 7111111B	Licensed Operator Requalification Program		05/15/2006	05/19/2006	Baseline Inspections
	ISFSI-O	- 60855.1 - OPERATION OF AN ISFSI	1			
1	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		07/03/2006	07/07/2006	Other Routine
	PSB1-RP	- RP OCCUPATIONAL PRE-INSP VISIT/ISFSI	1			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		08/28/2006	08/30/2006	Baseline Inspections
	PSB1-RP	- RP BASELINE OCCUPATIONAL WK1	3			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		09/18/2006	09/22/2006	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		09/18/2006	09/22/2006	Baseline Inspections
1,2	IP 7112202	Radioactive Material Processing and Transportation		09/18/2006	09/22/2006	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		09/18/2006	09/22/2006	Baseline Inspections
	EB3-ISI	- U2 INSERVICE INSPECTION	1			
2	IP 7111108P	Inservice Inspection Activities - PWR		09/25/2006	09/29/2006	Baseline Inspections
	EB1-SUMP	- PWR CONTAINMENT SUMP BLOCKAGE TI (U-2)	1			
2	IP 71111	Reactor Safety-Initiating Events, Mitigating Systems, Barrier Integrity		10/01/2006	10/06/2006	Baseline Inspections
	EB3TI150	- 2515/150 U-2: RPV & VHP NOZZLES	1			
2	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC ORDER EA-03-		10/02/2006	10/06/2006	Safety Issues
	PSB1-RP	- RP BASELINE OCCUPATIONAL WK2	2			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		10/02/2006	10/06/2006	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		10/02/2006	10/06/2006	Baseline Inspections
1,2	IP 7112202	Radioactive Material Processing and Transportation		10/02/2006	10/06/2006	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		10/02/2006	10/06/2006	Baseline Inspections
	PSB2-EP	- EP INSP	1			
1,2	IP 7111402	Alert and Notification System Testing		10/23/2006	10/27/2006	Baseline Inspections
1,2	IP 7111403	Emergency Response Organization Augmentation Testing		10/23/2006	10/27/2006	Baseline Inspections
1,2	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/23/2006	10/27/2006	Baseline Inspections
1,2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		10/23/2006	10/27/2006	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		10/23/2006	10/27/2006	Baseline Inspections
	EB2-TFP	- FIRE PROTECTION-TRIENNIAL PRE INSP VISIT	7			
1,2	IP 7111105T	Fire Protection [Triennial]		10/31/2006	11/02/2006	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Enclosure

McGuire
Inspection / Activity Plan
03/01/2006 - 09/30/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	EB2-TFP - FIRE PROTECTION-TRIENNIAL		4			
1,2	IP 7111105T	Fire Protection [Triennial]		11/27/2006	12/01/2006	Baseline Inspections
1,2	IP 7111105T	Fire Protection [Triennial]		12/11/2006	12/15/2006	Baseline Inspections
	PB1-PI&R - BIENNIAL PI&R INSPECTION		4			
1,2	IP 71152B	Identification and Resolution of Problems		01/22/2007	01/26/2007	Baseline Inspections
1,2	IP 71152B	Identification and Resolution of Problems		02/05/2007	02/09/2007	Baseline Inspections
	EB1-MODS - MODIFICATIONS-10CFR50.59		3			
1,2	IP 7111102	Evaluation of Changes, Tests, or Experiments		02/12/2007	02/16/2007	Baseline Inspections
1,2	IP 7111117B	Permanent Plant Modifications		02/12/2007	02/16/2007	Baseline Inspections
	OL PREP - INITIAL EXAM PREP		3			
1	V23235	MCGUIRE/EXAMS AT POWER FACILITIES		02/26/2007	03/02/2007	Not Applicable
	OL EXAM - INITIAL EXAM		3			
1	V23235	MCGUIRE/EXAMS AT POWER FACILITIES		03/19/2007	03/30/2007	Not Applicable
	EB3-ISI - U1 INSERVICE INSPECTION		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		03/26/2007	03/30/2007	Baseline Inspections
	EB3TI150 - 2515/150 U-1: RPV & VHP NOZZLES		1			
1	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC ORDER EA-03-		03/26/2007	03/30/2007	Safety Issues
	EB3SGISI - U1 STEAM GENERATOR ISI		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		04/02/2007	04/06/2007	Baseline Inspections
	EB1-SUMP - PWR CONTAINMENT SUMP BLOCKAGE TI (U-1)		1			
1	IP 71111	Reactor Safety-Initiating Events, Mitigating Systems, Barrier Integrity		04/08/2007	04/13/2007	Baseline Inspections
	EB3-HS - HEAT SINK		1			
1,2	IP 7111107B	Heat Sink Performance		04/23/2007	04/27/2007	Baseline Inspections
	EB3-MR - MR EFFECTIVENESS		1			
1,2	IP 7111112B	Maintenance Effectiveness		06/04/2007	06/08/2007	Baseline Inspections
	PSB1-RP - RP PUBLIC PRE-INSP/ISFSI		1			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		07/31/2007	08/02/2007	Baseline Inspections
	PSB1-RP - RP PUBLIC BASELINE INSP		4			
1,2	IP 7112101	Access Control to Radiologically Significant Areas		08/27/2007	08/31/2007	Baseline Inspections
1,2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/27/2007	08/31/2007	Baseline Inspections
1,2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		08/27/2007	08/31/2007	Baseline Inspections
1,2	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		08/27/2007	08/31/2007	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		08/27/2007	08/31/2007	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.