



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

March 5, 2012

Mr. Regis T. Repko
Vice President
Duke Energy Carolinas, LLC
McGuire Nuclear Station
MG01VP/12700 Hagers Ferry Road
Huntersville, NC 28078

**SUBJECT: ANNUAL ASSESSMENT LETTER FOR MCGUIRE NUCLEAR STATION UNITS
1 AND 2 (REPORT 05000369/2011007 AND 05000370/2011007)**

Dear Mr. Repko:

On February 14, 2012, the NRC completed its end-of-cycle performance review of McGuire Nuclear Station (MNS) Units 1 and 2. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2011, through December 31, 2011. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility. This performance review and enclosed inspection plan do not include security information. A separate letter will include the NRC's assessment of your performance in the Security Cornerstone and its security-related inspection plan.

The NRC determined that overall, MNS Units 1 and 2 operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at MNS Units 1 and 2 during the most recent quarter was within the Licensee Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because all inspection findings had very low safety significance (i.e., Green), and all PIs indicated that your performance was within the nominal, expected range (i.e., Green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility. We will also conduct Magnastor dry run and first loading campaign inspections, Temporary Instruction 182, Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping and Tanks, and reactor operator licensing examinations.

The enclosed inspection plan lists the inspections scheduled through June 30, 2013. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes.

From January 1 to December 31, 2011, the NRC issued four Severity Level (SL)-IV traditional enforcement violations associated with impeding the regulatory process. As discussed in the 2011 mid-cycle assessment Letter dated September 1, 2011, (ML112440317) the NRC evaluated the need to conduct Inspection Procedure (IP) 92723, "Follow Up Inspection for Three or More Severity Level IV Traditional Enforcement Violations in the Same Area in a 12-Month Period." Although SL-IV violations were identified during the first two quarters of 2011, the NRC decided not to schedule an IP 92723 inspection because there had not been sufficient time to evaluate the effectiveness of your corrective actions. During the End-of-Cycle review, the NRC determined that the corrective actions were effective based on a review conducted by the resident inspectors as well as the fact that no additional SL-IV violations were identified during the last 6 months. Therefore, the NRC does not plan to conduct an IP 92723 inspection.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agencywide Document Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact me at 404-997-4607 with any questions you have regarding this letter.

Sincerely,

/RA/

Jonathan H. Bartley, Chief
Reactor Projects Branch 1
Division of Reactor Projects

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

Enclosure: McGuire Inspection/Activity Plan (03/01/2012 – 06/30/2013)

cc w/encl: (See page 3)

cc w/encl:

Beth J. Horsley
Wholesale Customer Relations
Duke Energy Corporation
Electronic Mail Distribution

Charles J. Thomas
Fleet Licensing Manager
Duke Energy Carolinas, LLC
Electronic Mail Distribution

Clark E. Curry
Engineering Manager
McGuire Nuclear Station
Duke Energy Carolinas, LLC
Electronic Mail Distribution

David A. Cummings
Associate General Counsel
Duke Energy Corporation
Electronic Mail Distribution

H. Duncan Brewer
Safety Assurance Manager
Duke Energy Carolinas, LLC
Electronic Mail Distribution

Kay L. Crane
Senior Licensing Specialist
McGuire Nuclear Station
Duke Energy Carolinas, LLC
Electronic Mail Distribution

Luellen B. Jones
Fleet Licensing Engineer
Duke Energy Carolinas, LLC
Electronic Mail Distribution

M. Christopher Nolan
Fleet Safety Assurance Manager
Duke Energy Carolinas, LLC
Electronic Mail Distribution

Steven D. Capps
Station Manager
Duke Energy Carolinas, LLC
Electronic Mail Distribution

Peter Schuerger
Training Manager
Duke Energy Carolinas, LLC
Electronic Mail Distribution

Kenneth L. Ashe
Regulatory Compliance Manager
Duke Energy Carolinas, LLC
Electronic Mail Distribution

Lara S. Nichols
Vice President-Legal
Duke Energy Corporation
Electronic Mail Distribution

David A. Repka
Winston Strawn LLP
Electronic Mail Distribution

County Manager of Mecklenburg County
720 East Fourth Street
Charlotte, NC 28202

W. Lee Cox, III
Section Chief
Radiation Protection Section
N.C. Department of Environmental
Commerce & Natural Resources
Electronic Mail Distribution

David A. Baxter
Vice President, Nuclear Engineering
General Office
Duke Energy Carolinas, LLC
Electronic Mail Distribution

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
William B. McGuire Nuclear Station
U.S. NRC
12700 Hagers Ferry Rd
Huntersville, NC 28078

McGuire
Inspection / Activity Plan
03/01/2012 - 06/30/2013

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			CDBI - COMPONENT DESIGN BASES INSPECTION		7
1,2	03/05/2012	03/09/2012	IP 7111121	Component Design Bases Inspection	
1,2	03/19/2012	03/23/2012	IP 7111121	Component Design Bases Inspection	
1,2	04/02/2012	04/06/2012	IP 7111121	Component Design Bases Inspection	
			EB3 HS - TRIENNIAL HEAT SINK INSPECTION		1
1,2	03/12/2012	03/16/2012	IP 7111107T	Heat Sink Performance	
			EB3ISFSI - ISFSI MAGNASTOR DRY RUN		5
1,2	04/09/2012	04/13/2012	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
			EB3ISFSI - ISFSI FIRST LOADING CAMPAIGN (MAGNASTOR)		2
1,2	04/23/2012	04/27/2012	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
			OL RQ - REQUAL INSPECTION		2
1,2	06/11/2012	06/15/2012	IP 7111111B	Licensed Operator Requalification Program	
			TI-182 - TI-182 BURIED PIPING/TANK - PHASE 1		1
1,2	06/25/2012	06/29/2012	IP 2515/182	Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping	
			OL EXAM - INITIAL EXAM PREP		3
1	07/30/2012	08/03/2012	V23375	MCGUIRE / AUGUST 2012 EXAM AT POWER FACILITIES	
			PI&R - PROBLEM IDENTIFICATION AND RESOLUTION		5
1,2	08/13/2012	08/17/2012	IP 71152B	Problem Identification and Resolution	
1,2	08/27/2012	08/31/2012	IP 71152B	Problem Identification and Resolution	
			OL EXAM - INITIAL EXAM - WEEK 1		3
1	08/20/2012	08/24/2012	V23375	MCGUIRE / AUGUST 2012 EXAM AT POWER FACILITIES	
			OL EXAM - INITIAL EXAM - WEEK 2		3
1	08/27/2012	08/31/2012	V23375	MCGUIRE / AUGUST 2012 EXAM AT POWER FACILITIES	
			PSB1-RP - OCCUPATIONAL RP BASELINE WK1		3
1,2	09/17/2012	09/21/2012	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1,2	09/17/2012	09/21/2012	IP 71124.02	Occupational ALARA Planning and Controls	
1,2	09/17/2012	09/21/2012	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1,2	09/17/2012	09/21/2012	IP 71124.04	Occupational Dose Assessment	
1,2	09/17/2012	09/21/2012	IP 71124.05	Radiation Monitoring Instrumentation	
1,2	09/17/2012	09/21/2012	IP 71151	Performance Indicator Verification	
			EB3 ISI - UNIT 2 INSERVICE INSPECTION & RPVH EXAMS		2
2	09/24/2012	09/28/2012	IP 7111108P	Inservice Inspection Activities - PWR	

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

McGuire
Inspection / Activity Plan
03/01/2012 - 06/30/2013

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			EB3SGISI - UNIT 2 SG INSERVICE INSPECTION		1
2	10/01/2012	10/05/2012	IP 7111108P	Inservice Inspection Activities - PWR	
			PSB1-RP - OCCUPATIONAL RP BASELINE WK2		3
1,2	10/01/2012	10/05/2012	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1,2	10/01/2012	10/05/2012	IP 71124.02	Occupational ALARA Planning and Controls	
1,2	10/01/2012	10/05/2012	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1,2	10/01/2012	10/05/2012	IP 71124.04	Occupational Dose Assessment	
1,2	10/01/2012	10/05/2012	IP 71124.05	Radiation Monitoring Instrumentation	
1,2	10/01/2012	10/05/2012	IP 71151	Performance Indicator Verification	
			PSB1EP - EMERGENCY PREPAREDNESS INSPECTION		2
1,2	11/05/2012	11/09/2012	IP 7111402	Alert and Notification System Testing	
1,2	11/05/2012	11/09/2012	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1,2	11/05/2012	11/09/2012	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
1,2	11/05/2012	11/09/2012	IP 71151	Performance Indicator Verification	
			PSB1-RP - RAD HAZARDS ANALYSIS AND TRANSPORTATION		2
1,2	03/18/2013	03/22/2013	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1,2	03/18/2013	03/22/2013	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
1,2	03/18/2013	03/22/2013	IP 71151	Performance Indicator Verification	
			ISI - UNIT 1 INSERVICE INSPECTION		2
1	03/25/2013	03/29/2013	IP 7111108P	Inservice Inspection Activities - PWR	
			SGISI - UNIT 1 SG INSERVICE INSPECTION		1
1	04/01/2013	04/05/2013	IP 7111108P	Inservice Inspection Activities - PWR	
			PSB1-RP - RP PUBLIC RAD SAFETY BASELINE		5
1,2	06/24/2013	06/28/2013	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
1,2	06/24/2013	06/28/2013	IP 71124.07	Radiological Environmental Monitoring Program	
1,2	06/24/2013	06/28/2013	IP 71151	Performance Indicator Verification	

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