



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET SW SUITE 23TB5
ATLANTA, GEORGIA 30303-8931**

March 4, 2002

Duke Energy Corporation
ATTN: Mr. H. B. Barron
Vice President
McGuire Nuclear Station
12700 Hagers Ferry Road
Huntersville, NC 28078-8985

**SUBJECT: ANNUAL ASSESSMENT LETTER - MCGUIRE NUCLEAR STATION
(NRC INSPECTION REPORT 50-369/02-01 AND 50-370/02-01)**

Dear Mr. Barron:

On February 4, 2002, the NRC staff completed its end-of-cycle plant performance assessment of the McGuire Nuclear Station. The end-of-cycle review for McGuire involved the participation of all technical divisions in evaluating performance indicators (PIs) and inspection results for the period from April 1 through December 31, 2001. 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 will provide you with the opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

As discussed in our previous annual assessment letter dated May 31, 2001, this inspection and assessment cycle consisted of three quarters (i.e. the second, third, and fourth calendar quarters of Calendar Year 2001) instead of the usual four quarters. This change was implemented in order to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, McGuire 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 two quarters of the assessment cycle, was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct baseline inspections, routine Independent Spent Fuel Storage Installation related inspections, and license renewal related inspections at your facility through March 31, 2003.

The enclosed inspection plan details the inspections scheduled through March 31, 2003. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

With respect to the terrorist attacks on the World Trade Center and the Pentagon, immediately following the attacks, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including McGuire, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored Duke Energy Corporation's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, in addition to the inspections described in the enclosed plan, we will evaluate McGuire's compliance with these interim requirements.

In accordance with 10 CFR 2.790 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 our inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (404) 562-4550 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Robert C. Haag, 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

DEC

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McGuire
Inspection / Activity Plan
03/01/2002 - 03/31/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
RESBASE - RES BASELINE1			2			
1, 2	IP 7111104	Equipment Alignment (Quarterly)		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 7111105Q	Fire Protection		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 7111111Q	Licensed Operator Requalification		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 7111112Q	Maintenance Rule Implementation		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 7111113	Maintenance Risk Assessments & Emergent Work Evaluation		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 7111114	Personnel Performance During Nonroutine Evolutions		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 7111115	Operability Evaluations		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 7111116	Operator Workarounds		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 7111119	Post Maintenance Testing		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 7111122	Surveillance Testing		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 7111123	Temporary Plant Modifications		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 711151	Performance Indicator Verification		12/16/2001	03/16/2002	Baseline Inspections
1, 2	IP 711153	Event Followup		12/16/2001	03/16/2002	Baseline Inspections
PS-RP - RADIATION PROTECTION			3			
1, 2	IP 60855	Operation Of An ISFSI		02/25/2002	03/01/2002	Other Routine
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		02/25/2002	03/01/2002	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		02/25/2002	03/01/2002	Baseline Inspections
1, 2	IP 7112202	Radioactive Material Processing and Transportation		02/25/2002	03/01/2002	Baseline Inspections
1, 2	IP 711151	Performance Indicator Verification		02/25/2002	03/01/2002	Baseline Inspections
EB2 ISI - ISI			1			
2	IP 7111108	Inservice Inspection Activities		03/04/2002	03/07/2002	Baseline Inspections
LIC REN - CONTAINMENT INSPECTION FOR LICENSE RENEW			1			
2	IP 71002	License Renewal Inspection		03/04/2002	03/08/2002	Other Routine
PS-RP - RADIATION PROTECTION			3			
1, 2	IP 60855	Operation Of An ISFSI		03/11/2002	03/15/2002	Other Routine
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		03/11/2002	03/15/2002	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		03/11/2002	03/15/2002	Baseline Inspections
1, 2	IP 7112202	Radioactive Material Processing and Transportation		03/11/2002	03/15/2002	Baseline Inspections
1, 2	IP 711151	Performance Indicator Verification		03/11/2002	03/15/2002	Baseline Inspections
LIC REN - DUKE LICENSE RENEWAL			4			
1, 2	IP 71002	License Renewal Inspection		03/18/2002	03/22/2002	Other Routine
RESBASE - RES BASELINE2			2			
1, 2	IP 7111104	Equipment Alignment (Quarterly)		03/17/2002	06/15/2002	Baseline Inspections

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This report shows only on-site and announced inspection procedures.

McGuire
Inspection / Activity Plan
03/01/2002 - 03/31/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
RESBASE - RES BASELINE2			2			
1, 2	IP 7111105Q	Fire Protection		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 7111111Q	Licensed Operator Requalification		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 7111112Q	Maintenance Rule Implementation		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 7111113	Maintenance Risk Assessments & Emergent Work Evaluation		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 7111114	Personnel Performance During Nonroutine Evolutions		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 7111115	Operability Evaluations		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 7111116	Operator Workarounds		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 7111119	Post Maintenance Testing		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 7111122	Surveillance Testing		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 7111123	Temporary Plant Modifications		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		03/17/2002	06/15/2002	Baseline Inspections
1, 2	IP 71153	Event Followup		03/17/2002	06/15/2002	Baseline Inspections
EB2ISFSI - VCC PAD CONST.			1			
1, 2	IP 60853	On-Site Fabrication Of Components And Construction On An ISFSI		05/13/2002	05/17/2002	Other Routine
RESBASE - RES BASELINE3			2			
1, 2	IP 7111104	Equipment Alignment (Quarterly)		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 7111105Q	Fire Protection		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 7111111Q	Licensed Operator Requalification		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 7111112Q	Maintenance Rule Implementation		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 7111113	Maintenance Risk Assessments & Emergent Work Evaluation		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 7111114	Personnel Performance During Nonroutine Evolutions		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 7111115	Operability Evaluations		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 7111116	Operator Workarounds		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 7111119	Post Maintenance Testing		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 7111122	Surveillance Testing		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 7111123	Temporary Plant Modifications		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		06/16/2002	09/14/2002	Baseline Inspections
1, 2	IP 71153	Event Followup		06/16/2002	09/14/2002	Baseline Inspections
PS-SEC - SECURITY			1			
1, 2	IP 7113001	Access Authorization Program (Behavior Observation Only)		06/17/2002	06/21/2002	Baseline Inspections
1, 2	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizator		06/17/2002	06/21/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		06/17/2002	06/21/2002	Baseline Inspections

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				Start	End	
OL EP - EMERGENCY PLANNING			1			
1, 2	IP 7111402	Alert and Notification System Testing		06/24/2002	06/28/2002	Baseline Inspections
1, 2	IP 7111403	Emergency Response Organization Augmentation Testing		06/24/2002	06/28/2002	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		06/24/2002	06/28/2002	Baseline Inspections
1, 2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		06/24/2002	06/28/2002	Baseline Inspections
1, 2	IP 711151	Performance Indicator Verification		06/24/2002	06/28/2002	Baseline Inspections
PB1-FD - FLOOD PROTECTION			1			
1, 2	IP 7111106	Flood Protection Measures		06/24/2002	06/28/2002	Baseline Inspections
LIC REN - DUKE LICENSE RENEWAL			4			
1, 2	IP 71002	License Renewal Inspection		07/08/2002	07/19/2002	Other Routine
OL RQ - REQUAL INSPECTION			2			
1, 2	IP 7111111B	Licensed Operator Requalification		07/15/2002	07/19/2002	Baseline Inspections
PB1-PI&R - PROBLEM IDENTIFICATION & RESOLUTION			3			
1, 2	IP 711152	Identification and Resolution of Problems		08/12/2002	08/16/2002	Baseline Inspections
1, 2	IP 711152	Identification and Resolution of Problems		08/25/2002	08/29/2002	Baseline Inspections
EB2ISFSI - PAD 4 CONST.			1			
1, 2	IP 60853	On-Site Fabrication Of Components And Construction On An ISFSI		07/29/2002	08/02/2002	Other Routine
2515/145 - TI 2515/145 (U1) RE: BULLETIN 01-01			1			
1	IP 2515/145	Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulletin .		09/15/2002	09/21/2002	Safety Issues
RESBASE - RES BASELINE4			2			
1, 2	IP 7111104	Equipment Alignment (Quarterly)		09/15/2002	12/21/2002	Baseline Inspections
1, 2	IP 7111105Q	Fire Protection		09/15/2002	12/21/2002	Baseline Inspections
1, 2	IP 7111111Q	Licensed Operator Requalification		09/15/2002	12/21/2002	Baseline Inspections
1, 2	IP 7111112Q	Maintenance Rule Implementation		09/15/2002	12/21/2002	Baseline Inspections
1, 2	IP 7111113	Maintenance Risk Assessments & Emergent Work Evaluation		09/15/2002	12/21/2002	Baseline Inspections
1, 2	IP 7111114	Personnel Performance During Nonroutine Evolutions		09/15/2002	12/21/2002	Baseline Inspections
1, 2	IP 7111115	Operability Evaluations		09/15/2002	12/21/2002	Baseline Inspections
1, 2	IP 7111116	Operator Workarounds		09/15/2002	12/21/2002	Baseline Inspections
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1, 2	IP 7111122	Surveillance Testing		09/15/2002	12/21/2002	Baseline Inspections
1, 2	IP 7111123	Temporary Plant Modifications		09/15/2002	12/21/2002	Baseline Inspections
1, 2	IP 711151	Performance Indicator Verification		09/15/2002	12/21/2002	Baseline Inspections
1, 2	IP 711153	Event Followup		09/15/2002	12/21/2002	Baseline Inspections

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				Start	End	
	EB2-ISI - EB2-ISI		1			
1	IP 7111108	Inservice Inspection Activities		09/23/2002	09/23/2002	Baseline Inspections
	PB1-AW - ADVERSE WEATHER		1			
1, 2	IP 7111101	Adverse Weather Protection		10/28/2002	11/01/2002	Baseline Inspections
	PS-RP - RADIATION PROTECTION		1			
1, 2	IP 7112203	Radiological Environmental Monitoring Program		01/08/2003	01/10/2003	Baseline Inspections
	PS-RP - RADIATION PROTECTION		3			
1, 2	IP 7112103	Radiation Monitoring Instrumentation		01/20/2003	01/24/2003	Baseline Inspections
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/20/2003	01/24/2003	Baseline Inspections
1, 2	IP 7112203	Radiological Environmental Monitoring Program		01/20/2003	01/24/2003	Baseline Inspections

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