



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET SW SUITE 23T85
ATLANTA, GEORGIA 30303-8931**

March 4, 2003

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

**SUBJECT: ANNUAL ASSESSMENT LETTER - MCGUIRE NUCLEAR STATION
(NRC INSPECTION REPORT 50-369/03-01 AND 50-370/03-01)**

Dear Mr. Jamil:

On February 5, 2003, 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) for the most recent quarter and inspection results for the period from January 1 through December 31, 2002. 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 so you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

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 three 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 only baseline inspections at your facility through March 31, 2004, as well as: safety issue inspections in accordance with Temporary Instruction (TI) 2515/150, "Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)"; interim compensatory measures inspections in accordance with TI 2515/148, "Inspection of Nuclear Reactor Safeguards Interim Compensatory Measures"; operator licensing examinations; and routine inspections of activities associated with your Independent Spent Fuel Storage Installation.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. 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 inspections in the last six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force

readiness. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

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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cc w/encl:

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McGuire
Inspection / Activity Plan
03/01/2003 - 03/31/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	EB1-TFP - TFP - PRE-INSPECTION VISIT		5			
1,2	IP 7111105T	Fire Protection		04/16/2003	04/18/2003	Baseline Inspections
	EB1-TFP - TRIENNIAL FIRE PROTECTION INSP		4			
1,2	IP 7111105T	Fire Protection		05/05/2003	05/09/2003	Baseline Inspections
1,2	IP 7111105T	Fire Protection		05/19/2003	05/23/2003	Baseline Inspections
	OL EP - EMERGENCY EXERCISE		2			
1,2	IP 7111401	Exercise Evaluation		05/12/2003	05/16/2003	Baseline Inspections
1,2	IP 7111404	Emergency Action Level and Emergency Plan Changes		05/12/2003	05/16/2003	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		05/12/2003	05/16/2003	Baseline Inspections
	OL PREP - INITIAL EXAM PREP		3			
1	V23199	MCGUIRE/RETAKES AT POWER FACILITIES		05/27/2003	05/30/2003	Not Applicable
	OL EXAM - INITIAL EXAM		3			
1	V23188	MCGUIRE/EXAMS AT POWER FACILITIES		06/16/2003	06/27/2003	Not Applicable
	PS-SEC - SECURITY - TI/ICM		3			
1,2	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		08/04/2003	08/08/2003	Safety Issues
	EB2-HS - HEAT SINK		2			
1,2	IP 7111107B	Heat Sink Performance		09/02/2003	09/05/2003	Baseline Inspections
	2515/150 - 2515/150 REV1 UNIT 2		1			
2	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-0		09/15/2003	09/19/2003	Safety Issues
	EB2-ISI - INSERVICE INSPECTION-U2		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		09/15/2003	09/19/2003	Baseline Inspections
	EB2-MR - MAINTENANCE RULE		1			
1,2	IP 7111112B	Maintenance Effectiveness		11/03/2003	11/07/2003	Baseline Inspections
	EB1SSDPC - SSDPC PRE-INSPECTION VISIT		2			
1,2	IP 7111121	Safety System Design and Performance Capability		01/05/2004	01/09/2004	Baseline Inspections
	EB1SSDPC - SAFETY SYS DESIGN & PERFORMANCE CAPABILI		5			
1,2	IP 7111121	Safety System Design and Performance Capability		01/26/2004	01/30/2004	Baseline Inspections
1,2	IP 7111121	Safety System Design and Performance Capability		02/09/2004	02/13/2004	Baseline Inspections
	EB2-ISI - INSERVICE INSPECTION-U1		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		03/08/2004	03/12/2004	Baseline Inspections