



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

August 30, 2004

Carolina Power and Light Company
ATTN: Mr. C. J. Gannon
Vice President
Brunswick Steam Electric Plant
P. O. Box 10429
Southport, NC 28461-0429

**SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
BRUNSWICK STEAM ELECTRIC PLANT**

Dear Mr. Gannon:

On August 4, 2004, the NRC staff completed its mid-cycle plant performance assessment of the Brunswick Steam Electric Plant. The mid-cycle review for Brunswick involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2004 assessment cycle. The process included a review of performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. 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 allow you an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities. This performance review and the enclosed inspection plan do not include physical protection information. A separate mid-cycle performance review letter, designated and marked as "Proprietary Information in accordance with 10 CFR 2.390(d)(1)", will include the physical protection review and a resultant inspection plan.

The performance of Brunswick Unit 1 for the most recent quarter was within the Licensee Response Column of the NRC's Action Matrix. However, the performance of Unit 2 was in the Regulatory Response column based on a finding involving the failure to take adequate corrective action for conditions adverse to quality associated with an emergency diesel generator (EDG) jacket water cooling system (JWC). This corrective action failure resulted in the EDG being inoperable for a period in excess of the Technical Specifications allowed outage time. Specifically, excessive leakage occurred from the JWC system that resulted in an inoperable EDG from December 8, 2003, until it was corrected on January 7, 2004. Based on the performance of Unit 2, we informed you in a letter dated August 2, 2004, that we planned to conduct a Supplemental Inspection of Unit 2. This inspection has been scheduled for the week of December 6, 2004.

In addition, on April 7, 2004, the NRC issued a Notice of Violation and Proposed Imposition of Civil Penalty - \$88,000, to Carolina Power and Light Company (CP&L), in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," (Enforcement Policy), NUREG-1600. This Severity Level II violation involved employment discrimination contrary to the requirements of 10 CFR 50.7, "Employee Protection." CP&L discriminated

against a corporate site access authorization superintendent, when the individual was terminated from his employment on April 26, 1999, for engaging in a protected activity. CP&L had previously provided corrective action on this matter in a letter dated March 19, 2004, and on April 29, 2004, paid the civil penalty.

In our Annual Assessment Letter, dated March 3, 2004, we discussed a deficiency that involved a design review of a modification implemented on the Unit 2 reactor feed pump speed control system. This finding was subsequently evaluated as having very low safety significance (Green).

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2006. 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 twelve months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

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 the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (404) 562-4500 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Victor M. McCree, Director
Division of Reactor Projects

Docket Nos. 50-325, 50-324
Licensee Nos. DPR-71, DPR-62

Enclosure: Brunswick Inspection/Activity Plan

cc w/encl: (See page 3)

cc w/encl:

T. P. Cleary, Director
Site Operations
Brunswick Steam Electric Plant
Progress Energy Carolinas, Inc.
Electronic Mail Distribution

David H. Hinds
Plant Manager
Brunswick Steam Electric Plant
Carolina Power & Light Company
Electronic Mail Distribution

James W. Holt, Manager
Performance Evaluation and
Regulatory Affairs PEB 7
Carolina Power & Light Company
Electronic Mail Distribution

Edward T. O'Neil, Manager
Support Services
Carolina Power & Light Company
Brunswick Steam Electric Plant
Electronic Mail Distribution

Lenny Beller, Supervisor
Licensing/Regulatory Programs
Carolina Power and Light Company
Electronic Mail Distribution

Steven R. Carr
Associate General Counsel - Legal Dept.
Progress Energy Service Company, LLC
Electronic Mail Distribution

John H. O'Neill, Jr.
Shaw, Pittman, Potts & Trowbridge
2300 N. Street, NW
Washington, DC 20037-1128

Beverly Hall, Acting Director
Division of Radiation Protection
N. C. Department of Environment
and Natural Resources
Electronic Mail Distribution

Peggy Force
Assistant Attorney General
State of North Carolina
Electronic Mail Distribution

Chairman of the North Carolina
Utilities Commission
c/o Sam Watson, Staff Attorney
Electronic Mail Distribution

Robert P. Gruber
Executive Director
Public Staff NCUC
4326 Mail Service Center
Raleigh, NC 27699-4326

Public Service Commission
State of South Carolina
P. O. Box 11649
Columbia, SC 29211

David R. Sandifer
Brunswick County Board of
Commissioners
P. O. Box 249
Bolivia, NC 28422

Warren Lee
Emergency Management Director
New Hanover County Department of
Emergency Management
P. O. Box 1525
Wilmington, NC 28402-1525

Institute of Nuclear Power Operations
700 Galleria Parkway SE
Atlanta, GA 30339-5943

Brunswick
Inspection / Activity Plan
09/01/2004 - 03/31/2006

| Unit Number | Inspection Activity | Title | No. of Staff on Site | Planned Dates Start | Planned Dates End | Inspection Type |
|-------------|---|---|----------------------|---------------------|-------------------|----------------------|
| | EB1-TFP - FIRE PROTECTION-TRIENNIAL PRE-INSP VISIT | | 4 | | | |
| 1, 2 | IP 7111105T | Fire Protection | | 10/12/2004 | 10/15/2004 | Baseline Inspections |
| | OL EXAM - INITIAL EXAM PREP | | 2 | | | |
| 1 | V23226 | BRUNSWICK/EXAM AT POWER FACILITIES | | 10/18/2004 | 10/22/2004 | Not Applicable |
| | OL EXAM - INITIAL EXAM | | 3 | | | |
| 1 | V23226 | BRUNSWICK/EXAM AT POWER FACILITIES | | 11/01/2004 | 11/12/2004 | Not Applicable |
| | EB1-TFP - FIRE PROTECTION-TRIENNIAL | | 4 | | | |
| 1, 2 | IP 7111105T | Fire Protection | | 11/01/2004 | 11/05/2004 | Baseline Inspections |
| 1, 2 | IP 7111105T | Fire Protection | | 11/15/2004 | 11/19/2004 | Baseline Inspections |
| | OL EP - EMERGENCY EXERCISE | | 2 | | | |
| 1, 2 | IP 7111401 | Exercise Evaluation | | 11/15/2004 | 11/19/2004 | Baseline Inspections |
| 1, 2 | IP 7111404 | Emergency Action Level and Emergency Plan Changes | | 11/15/2004 | 11/19/2004 | Baseline Inspections |
| 1, 2 | IP 711151 | Performance Indicator Verification | | 11/15/2004 | 11/19/2004 | Baseline Inspections |
| | DRPB4 SI - SUPPLEMENTAL INSPECTION | | 1 | | | |
| 2 | IP 95001 | Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area | | 12/06/2004 | 12/10/2004 | Supplemental Progra |
| | OL RQ - REQUAL INSPECTION | | 2 | | | |
| 1, 2 | IP 7111111B | Licensed Operator Requalification Program | | 12/06/2004 | 12/10/2004 | Baseline Inspections |
| | EB2-HS - HEAT SINK | | 1 | | | |
| 1, 2 | IP 7111107B | Heat Sink Performance | | 12/13/2004 | 12/17/2004 | Baseline Inspections |
| | EB2-ISI - INSERVICE INSPECTION | | 2 | | | |
| 1 | IP 7111108G | Inservice Inspection Activities - BWR | | 03/14/2005 | 03/18/2005 | Baseline Inspections |
| | PS-RP - RP OCCUPATIONAL WK-1 | | 2 | | | |
| 1, 2 | IP 7112101 | Access Control to Radiologically Significant Areas | | 03/14/2005 | 03/18/2005 | Baseline Inspections |
| 1, 2 | IP 7112102 | ALARA Planning and Controls | | 03/14/2005 | 03/18/2005 | Baseline Inspections |
| 1, 2 | IP 7112202 | Radioactive Material Processing and Transportation | | 03/14/2005 | 03/18/2005 | Baseline Inspections |
| 1, 2 | IP 711151 | Performance Indicator Verification | | 03/14/2005 | 03/18/2005 | Baseline Inspections |
| | PS-RP - RP OCCUPATIONAL WK- 2 | | 2 | | | |
| 1, 2 | IP 7112101 | Access Control to Radiologically Significant Areas | | 03/28/2005 | 04/01/2005 | Baseline Inspections |
| 1, 2 | IP 7112102 | ALARA Planning and Controls | | 03/28/2005 | 04/01/2005 | Baseline Inspections |
| 1, 2 | IP 7112202 | Radioactive Material Processing and Transportation | | 03/28/2005 | 04/01/2005 | Baseline Inspections |
| 1, 2 | IP 711151 | Performance Indicator Verification | | 03/28/2005 | 04/01/2005 | Baseline Inspections |
| | EB2-MR - MAINTENANCE RULE | | 1 | | | |
| 1, 2 | IP 7111112B | Maintenance Effectiveness | | 05/02/2005 | 05/06/2005 | Baseline Inspections |

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

ENCLOSURE

Brunswick
Inspection / Activity Plan
09/01/2004 - 03/31/2006

| Unit Number | Inspection Activity | Title | No. of Staff on Site | Planned Dates Start | Planned Dates End | Inspection Type |
|-------------|---|--|----------------------|---------------------|-------------------|----------------------|
| | LICREN - LICENSE RENEWAL AMP INSPECTION | | 5 | | | |
| 1, 2 | IP 71002 | License Renewal Inspection | | 06/06/2005 | 06/10/2005 | License Renewal Ins |
| | LIC REN - LICENSE RENEWAL AMP INSPECTION | | 5 | | | |
| 1, 2 | IP 71002 | License Renewal Inspection | | 06/20/2005 | 06/24/2005 | License Renewal Ins |
| | OL PREP - INITIAL EXAM PREP | | 2 | | | |
| 1 | V23226 | BRUNSWICK/EXAM AT POWER FACILITIES | | 08/01/2005 | 08/05/2005 | Not Applicable |
| | PB4-PI&R - PROBLEM IDENTIFICATION & RESOLUTION | | 3 | | | |
| 1, 2 | IP 71152B | Identification and Resolution of Problems | | 08/08/2005 | 08/12/2005 | Baseline Inspections |
| | OL EXAM - INITIAL EXAM | | 2 | | | |
| 1 | V23226 | BRUNSWICK/EXAM AT POWER FACILITIES | | 08/15/2005 | 08/19/2005 | Not Applicable |
| | PB4-PI&R - PROBLEM IDENTIFICATION & RESOLUTION | | 3 | | | |
| 1, 2 | IP 71152B | Identification and Resolution of Problems | | 08/22/2005 | 08/26/2005 | Baseline Inspections |
| | EB1SSDPC - SSDPC PRE-INSPECTION VISIT | | 2 | | | |
| 1, 2 | IP 7111121 | Safety System Design and Performance Capability | | 10/10/2005 | 10/14/2005 | Baseline Inspections |
| | EB1SSDPC - SSDPC | | 5 | | | |
| 1, 2 | IP 7111121 | Safety System Design and Performance Capability | | 10/31/2005 | 11/04/2005 | Baseline Inspections |
| 1, 2 | IP 7111121 | Safety System Design and Performance Capability | | 11/14/2005 | 11/18/2005 | Baseline Inspections |
| | OL EP - EP INSPECTION | | 1 | | | |
| 1, 2 | IP 7111402 | Alert and Notification System Testing | | 11/14/2005 | 11/18/2005 | Baseline Inspections |
| 1, 2 | IP 7111403 | Emergency Response Organization Augmentation Testing | | 11/14/2005 | 11/18/2005 | Baseline Inspections |
| 1, 2 | IP 7111404 | Emergency Action Level and Emergency Plan Changes | | 11/14/2005 | 11/18/2005 | Baseline Inspections |
| 1, 2 | IP 7111405 | Correction of Emergency Preparedness Weaknesses and Deficiencies | | 11/14/2005 | 11/18/2005 | Baseline Inspections |
| 1, 2 | IP 71151 | Performance Indicator Verification | | 11/14/2005 | 11/18/2005 | Baseline Inspections |
| | EB2-MODS - MODIFICATIONS/10CFR50.59 | | 1 | | | |
| 1, 2 | IP 7111102 | Evaluation of Changes, Tests, or Experiments | | 03/27/2006 | 03/31/2006 | Baseline Inspections |
| 1, 2 | IP 711117B | Permanent Plant Modifications | | 03/27/2006 | 03/31/2006 | Baseline Inspections |