

March 31, 2000

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

SUBJECT: PLANT PERFORMANCE REVIEW - MCGUIRE NUCLEAR STATION

Dear Mr. Barron:

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On February 23, 2000, we completed a plant performance review (PPR) of McGuire Nuclear Station. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from February 1, 1999, through January 31, 2000, but emphasized the last six months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at McGuire was provided to you in a letter dated March 25, 1999, and was discussed with you in a public meeting on July 15, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the systematic assessment of licensee performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued process improvements as we make the transition into the revised reactor oversight process. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last six months, Unit 1 underwent a refueling outage, which was followed by 27 days of reduced power operations (not less than 85%) due to main generator stator cooling water problems. There was also a planned power reduction as a Year 2000 grid stability precaution. Unit 2 essentially operated at full power, except for three planned fuel management power reductions. Overall, McGuire continues to operate in a safe manner.

In our assessment of McGuire, we did not identify any significant performance issues in the reactor safety, radiation safety, or safeguards strategic performance areas. Therefore, we plan to conduct only baseline inspections at your facility as noted in the attached inspection plan. In addition, we plan to conduct inspections to review activities associated with your Independent Spent Fuel Storage Installation (ISFSI).

Enclosure 1 contains a historical listing of plant issues, referred to as the plant issues matrix (PIM), that were used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support. Future PIMs will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence regarding McGuire. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at McGuire to allow you to resolve scheduling conflicts and personnel availability in advance of our inspectors' arrival onsite. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at McGuire or other nuclear facilities. We also included some NRC non-inspection activities in Enclosure 2 for your information. Routine resident inspections are not listed due to their ongoing and continuous nature.

DEC

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We will inform you of any changes to the inspection plan. If you have any questions, please contact me at (404) 562-4510.

Sincerely,

/RA/

Charles R. Ogle, Chief
Reactor Projects Branch 1
Division of Reactor Projects

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

Enclosures: 1. Plant Issues Matrix
2. Inspection Plan

cc w/encls:
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cc w/encls cont'd: (See Page 4)

DEC

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cc w/encls: Continued
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