

March 29, 2000

LICENSEES: Duke Energy Corporation (Duke)

FACILITIES: Oconee Nuclear Station, (ONS) Unit Nos. 1, 2, and 3

SUBJECT: SUMMARY OF MARCH 9, 2000, MEETING WITH DUKE REGARDING THE FORM AND CONTENT OF THE RENEWED LICENSES FOR ONS

On March 9, 2000, the U. S. Nuclear Regulatory Commission (NRC) staff held the subject public meeting with representatives of Duke at Rockville, Maryland. Enclosure 1 to this meeting summary provides a list of the meeting attendees. Enclosure 2 contains a copy of the handouts that were provided by Duke.

Prior to the meeting the staff provided draft licenses to Duke in a letter dated February 17, 2000. The staff noted that the draft licenses contained in the February 17, 2000, letter assumed that Duke's license amendment request of January 27, 2000, regarding elimination of outdated and other unnecessary provisions will be approved. The staff stated that it saw no problems with this amendment request and it expected that it would issue the license amendment shortly. Duke provided a handout (see Enclosure 2) that contained comments, questions and proposed changes to the draft licenses. The 6 comments served as the agenda for the meeting. Each comment is listed below along with its disposition. In addition, Enclosure 3 provides an updated version of the draft license for Oconee Nuclear Station Unit 1 based on the discussions that occurred during the meeting.

Comment 1: Page 1, Does the preamble to the provisions a through f indicate that all of the findings made on the initial operating license carry forward? Editorial – space needed after “Corporation” on the first line.

Disposition: The staff stated that the original findings were part of the current licensing basis, and that the statements of considerations for the rule indicate that the original findings do not have to be made again as part of license renewal. The staff also agreed to fix the spacing that is noted in this comment.

Comment 2: Page 2, License Condition 1 – Is the use of the phrase “Final Safety Analysis Report as supplemented and amended” meant to include all updates submitted over the last several years pursuant to §50.71(e)? Also, the correct title is the “Oconee Nuclear Station, Final Safety Analysis Report.” Is the term “(Supplement 1)” meant to apply to the original Environmental Report? Should the condition also include reference to the environmental reviews performed for license renewal – the Environmental Report contained in the Application, the GEIS, and Supplement 2 to the GEIS?

Disposition: The staff stated that the term “supplemented and amended” in this license condition includes updates to the respective documents (i.e., Final Safety Analysis Report (FSAR), and the Environmental Report). Because the official title of the “Final Safety Analysis Report” has

been changed to "Updated Final Safety Analysis Report," the staff agreed to change the reference in license condition 1 to the latter and to add the acronym UFSAR to the condition. The staff also agreed to delete the term "(Supplement 1)" from the license condition because it is no longer needed. The staff does not believe that an explicit reference to the environmental reviews performed for license renewal are necessary, therefore, this suggestion from Duke was not adopted.

Comment 3: Page 2, License Condition 2.A. Line 1 – Insert "Domestic" before "Licensing."

Disposition: The staff agreed to make this change because it is consistent with the title of 10 CFR Part 50.

Comment 4: Page 2, License Condition 2.C., line 2 – Insert "any" before "byproduct."

Disposition: The staff did not agree to make this change and stated that if Duke chose it could make this change through a license amendment request.

Comment 5: Page 2, License Condition 2.D., line 2 – This line should read "byproduct, source AND special nuclear material."

Disposition: The staff did not agree to make this change and stated that if Duke chose it could make this change through a license amendment request. Duke did note during this discussion that they also reviewed the Commission paper regarding the Calvert Cliffs license renewal application (SECY-00-0010). Duke stated that they believe license condition 2.B.5 in the Calvert license should not reference 10 CFR Part 40. The staff stated that it would consider whether or not to make a change to the Calvert license.

Comment 6: Replace draft License Conditions 3.F and 3.G with one license condition "3.F" entitled "Aging Management Programs and Time-Limited Aging Analyses." See proposed New License Condition 3.F attached (enclosure 2 contains a copy of Duke's proposed license condition).

Disposition: The staff stated that it did not believe that Duke's license condition was necessary because its provisions were implicit in license conditions 3.F and 3.G contained in the February 17, 2000, letter. Duke asked the staff to walk through an example of how license condition 3.F and 3.G would be implemented. Duke's example regarded an unspecified existing aging management program. Duke's example supposed an existing program that had an inspection frequency based on engineering judgement but the license renewal application stated that the existing program would be modified to have a quarterly inspection frequency. Duke asked the staff, with regard to license condition 3.F and 3.G of Enclosure 3, when the staff believed the inspection frequency would need to be changed to a quarterly frequency.

The staff suggested that, while it would be desirable for all of the program changes associated with the UFSAR supplement to be implemented by the time the supplement is incorporated in the UFSAR update in July 2001, at a minimum the license conditions required Duke to have a tracking mechanism and a schedule for implementing the quarterly inspection frequency at the time the UFSAR was implemented. The staff stated that it did not envision license renewal activities must be implemented upon issuance of the renewed license, even though the renewed

license is immediately effective, because this would not be consistent with the assumptions in the license renewal rule.

The staff stated that it would provide guidance to the regions on how to do inspection activities after the renewed license was issued consistent with the staff's statement above. The staff stated that it would try to make such guidance publicly available. Duke stated that it would work with the Nuclear Energy Institute (NEI) to determine if NEI 95-10 should be modified to provide guidance on license renewal activities after the renewed license is issued (e.g., implementation of aging management programs, and guidance on implementation of 10 CFR Part 54.37(b)).

Duke stated that because of the staff's explanation regarding license condition 3.F and 3.G they no longer saw the need to have the detailed license conditions they proposed (See enclosure 2). The staff and Duke then discussed changes to license conditions 3.F and 3.G contained in the staff's February 17, 2000, letter. The staff agreed to change the reference to the FSAR in these conditions to UFSAR (see Duke comment 2 above). The staff also agreed to remove the term describing the UFSAR supplement that Duke is scheduled to issue by April 1, 2000. Specifically, the staff agreed to remove the term "as amended in its entirety" and replace it with the term "as revised" in license condition 3.F and 3.G. The staff also agreed to revise the last sentence of license condition 3.G from "The licensee shall complete all such activities no later than February 6, 2013" to "The licensee shall complete these activities no later than February 6, 2013."

The staff noted that in processing Duke's license amendment request of January 27, 2000, it identified minor editorial changes in license condition 3.D. License condition 3.D in Enclosure 3 has been updated to include these editorial changes. The staff and Duke also agreed to make the appropriate changes to Duke's proposed UFSAR supplement Section 18.1 to make it consistent with the discussions that occurred during the meeting.

A draft of this meeting summary was provided to Duke to allow them the opportunity to comment on the summary prior to its issuance.

/RA/

Joseph M. Sebrosky, Project Manager
License Renewal and Standardization Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Docket Nos. 50-269, 50-270, and 50-287 (Duke)

Enclosures: 1. List of Attendees
2. Meeting Slides
3. Draft License for Oconee Nuclear Station Unit 1
cc w/ encls: See next page

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Docket Nos. 50-269, 50-270, and 50-287 (Duke)

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- 3. Draft License for Oconee Nuclear Station Unit 1

DISTRIBUTION: See next page

DOCUMENT NAME: C:\3-9 license MTG SUM.wpd

*See previous concurrence

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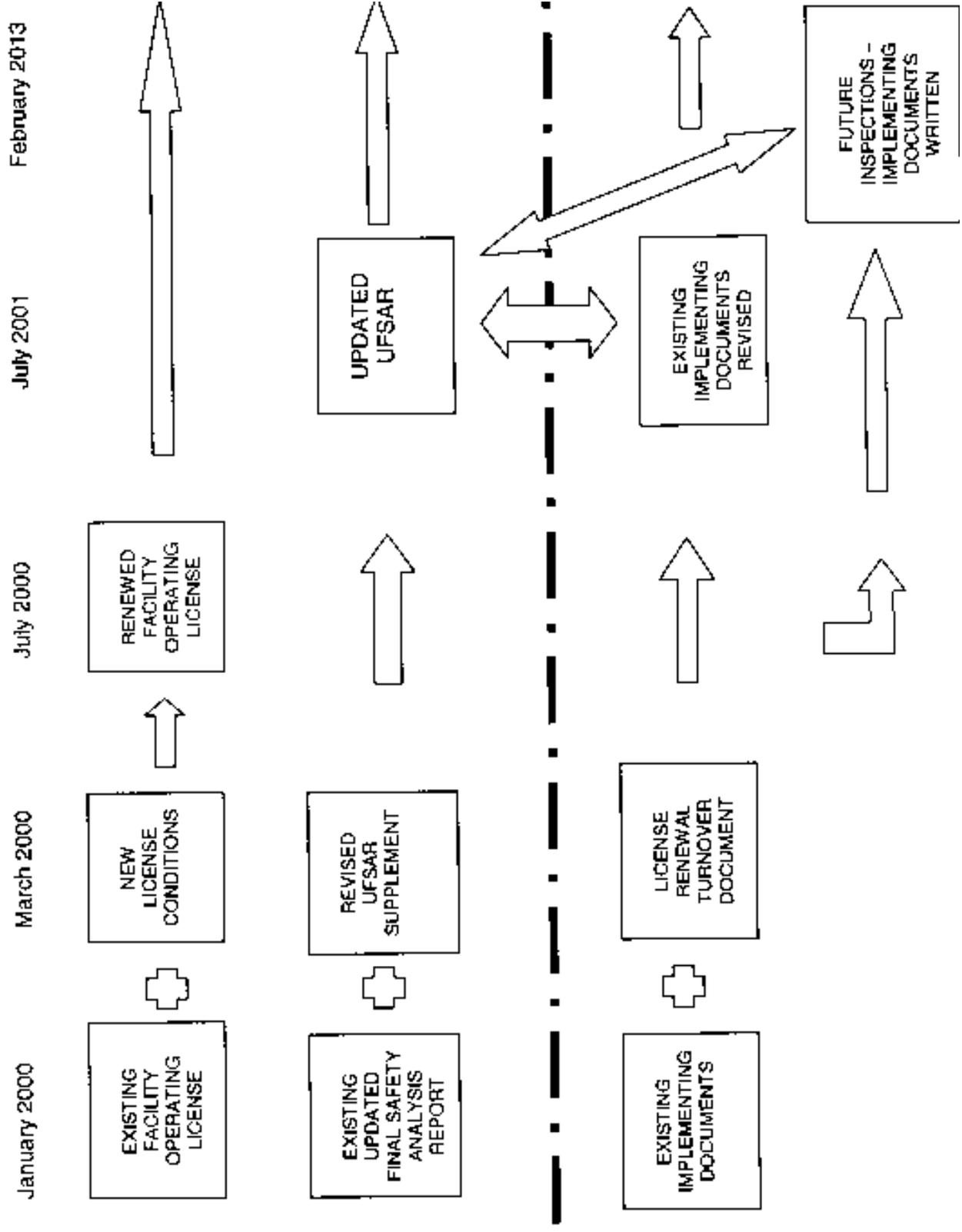
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MEETING TO DISCUSS THE FORM AND CONTENT OF OCONEE
NUCLEAR STATION RENEWED LICENSES
MARCH 9, 2000

<u>NAME</u>	<u>ORGANIZATION</u>
Chris Grimes	NRR/DRIP/RLSB
Joe Sebrosky	NRR/DRIP/RLSB
Dave LaBarge	NRR/DLPM
Greg Robison	Duke Energy
Robert Gill	Duke Energy
Lisa Vaughn	Duke Energy
Anne Cottingham	Winston and Strawn
Janice Moore	NRC/OGC
Robert Weisman	NRC/OGC
Don Palmrose	NUS-LIS

Meeting Handouts



- F. In the update to the FSAR required pursuant to 10 CFR 50.71(e)(4) scheduled for July, 2001, the licensee shall update the FSAR to include the FSAR supplement submitted pursuant to 10 CFR 54.21(d) as amended in its entirety on [DATE]. Until the FSAR update is complete, the licensee may make changes to the programs described in its FSAR supplement without prior Commission approval, provided that the licensee evaluates each such change pursuant to the criteria set forth in 10 CFR 50.59 and otherwise complies with the requirements in that section.
- G. The licensee's FSAR supplement submitted pursuant to 10 CFR 54.21(d), as amended in its entirety on [DATE], describes certain future inspection activities to be completed before the period of extended operation. The licensee shall complete all such activities no later than February 6, 2013.
4. This renewed license is effective as of the date of issuance and shall expire at midnight on February 6, 2033.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachments

1) Appendix A - Technical Specifications Renewed License No. DPR-38

Date of Issuance:

Renewed License No. DPR-38

B&WCG and Duke reports is of paramount importance to the technical analysis and conclusions set forth in Exhibit A.

The second area of technical review set forth in Exhibit A is the identification and evaluation of plant-specific time-limited aging analyses and exemptions, which were performed consistent with the guidance provided in NEE 95-10, Revision 0. With respect to 10 CFR § 50.12 exemptions, a review of the Oconee docket identified no exemptions granted on the basis of a time-limited aging analysis, as defined in Section 54.3. At the same time, Duke identified the Oconee-specific time-limited aging analyses. As required by 10 CFR § 54.21(c)(1), Duke has demonstrated either that: (1) these analyses remain valid for the period of extended operation; (2) the analyses have been projected to the end of the renewal term of operation; or (3) the effects of aging on the intended function will be adequately managed for the period of extended operation. For these time-limited aging analyses, appropriate changes to the UFSAR have been identified. (See Exhibit B to the Application.)

- **Oconee Application for Renewed Operating Licenses, Exhibit B - Updated Final Safety Analysis Report (UFSAR) Supplement**

In satisfaction of Section 54.21(d), Exhibit B to the Application contains an Updated Final Safety Analysis Report (UFSAR) Supplement which provides a summary description of the programs and activities for managing the effects of aging and the evaluation of time-limited aging analyses for the renewed term of operation. The information in Exhibit B is derived from the technical information set forth in Exhibit A, and required by Section 54.21(a) and (c). Table 18-1 of Exhibit B provides a summary listing of the specific programs, activities and time-limited aging analyses required for license renewal that are included in the UFSAR Supplement. The UFSAR Supplement for license renewal summarizes all of the commitments contained in the Application that are applicable for license renewal.

The UFSAR Supplement contained in Exhibit B will be incorporated into the Oconee UFSAR following issuance of the Oconee renewed operating licenses. Duke requests a "grace period" to accomplish this task and to make the necessary conforming changes. This grace period would extend from the date of issuance of the renewed operating licenses to the next scheduled update of the Oconee UFSAR. The duration of this grace period will be not less than six months nor greater than eighteen months. Upon inclusion of the Supplement into the Oconee UFSAR, any changes to the description of programs and activities will be made in accordance with the change process in effect at the time of the change.

Oconee Nuclear Station
UFSAR Supplement

New Chapter 18

Insert new UFSAR Chapter 18 to read as follows:

18. AGING MANAGEMENT PROGRAMS AND ACTIVITIES

18.1 INTRODUCTION

As the current operating license holder for Oconee Nuclear Station, Duke Energy Corporation prepared an Application for Renewed Operating Licenses for Oconee Nuclear Station, Units 1, 2, and 3 (Application) [Reference 18-1]. The application including information provided in additional correspondence, provides sufficient information for the NRC to complete their technical and environmental reviews and provided the basis for the NRC to make the findings required by §54.29 (Final Safety Evaluation Report - Final SER) [Reference 18-2]. Pursuant to the requirements of §54.21(d), the UFSAR supplement for the facility must contain a summary description of the programs and activities for managing the effects of aging and the evaluation of time-limited aging analyses for the period of extended operation determined by §54.21 (a) and (c), respectively.

As an aid to the reader, Table 18-1 provides a summary listing of the programs, activities and time-limited aging analyses (TLAA) (topics) required for license renewal. The first column of Table 18-1 provides an listing of these topics. The second column of Table 18-1 indicates whether the topic is a Program/Activity or TLAA. The third column of Table 18-1 identifies where the description of the Program, Activity, or TLAA is located in either the Oconee UFSAR or in the Oconee Improved Technical Specifications (ITS).

Section 18.2 contains summary descriptions of the one-time inspections that have been committed to be performed prior to the period of extended operation. Section 18.3 contains summary descriptions of the aging management programs and periodic inspections that are ongoing through the duration of the operating licenses of Oconee Nuclear Station.

Station documents are established, implemented, and maintained to cover the aging management programs and activities described in Chapter 18 except as noted below.

Station documents covering the "One-Time Inspections for License Renewal," the "Insulated Cable Aging Management Program," and the "Reactor Vessel Internals Inspection" ("future inspections") described in Sections 18.2, 18.3.14 and 18.3.20 will be implemented in accordance with License Condition [insert license condition reference when available].

ADD: Alloy 600 Aging Management Program 18.3.1

Comments, questions and proposed changes to the draft Oconee Facility Operating Licenses provided by NRC letter dated February 17, 2000:

1. Page 1, Does the preamble to the provisions a through f indicate that all of the findings made on the initial operating license carry forward? Editorial – space needed after “Corporation” on the first line.
2. Page 2, License Condition 1 – Is the use of the phrase “Final Safety Analysis Report as supplemented and amended” meant to include all updates submitted over the last several years pursuant to §50.71(c)? Also, the correct title is the “Oconee Nuclear Station, Final Safety Analysis Report.” Is the term “(Supplement 1)” meant to apply to the original Environmental Report? Should the condition also include reference to the environmental reviews performed for license renewal – the Environmental Report contained in the Application, the GEIS, and Supplement 2 to the GEIS?
3. Page 2, License Condition 2.A. Line 1 – Insert “Domestic” before “licensing.”
4. Page 2, License Condition 2.C., line 2 – Insert “any” before “byproduct.”
5. Page 2, License Condition 2.D., line 2 - This line should read “byproduct, source AND special nuclear material.”
6. Replace draft License Conditions 3.F and 3.G with one license condition “3.F” entitled “Aging Management Programs and Time-Limited Aging Analyses.” See proposed New License Condition 3.F attached.

New License Condition 3.F:

3.F. Aging Management Programs and Time-Limited Aging Analyses

The following requirements apply to descriptions of aging management programs and activities and time-limited aging analyses contained in the revised Updated Final Safety Analysis Report (UFSAR) Supplement attached to Duke Energy Corporation's letter to the NRC dated March 31, 2000 ("Revised UFSAR Supplement") or in the UFSAR, as indicated:

- (1) In the update to the UFSAR required pursuant to 10 CFR 50.71(c)(4) and scheduled for July 2001, the licensee shall update the UFSAR to include the UFSAR supplement submitted pursuant to 10 CFR 54.21(d) as amended in its entirety by the Revised UFSAR Supplement.
- (2) Until the UFSAR update identified in paragraph 3.F.(1) above is complete, the licensee may make changes to the programs and activities and time-limited aging analyses described in the Revised UFSAR Supplement without prior Commission approval, provided that the licensee evaluates each such change pursuant to the criteria set forth in 10 CFR 50.59 and otherwise complies with the requirements in that section.
- (3) Except as set forth in paragraph 3.F.(4) below, commitments related to the aging management programs and activities described in the Revised UFSAR Supplement, including any changes made as permitted by paragraph 3.F.(2) above, shall be incorporated by the licensee into applicable implementing documents on or before the date of the next scheduled update of the UFSAR after the renewed license is issued.
- (4) Commitments related to the "One-Time Inspections for License Renewal," the "Alloy 600 Aging Management Program," the "Insulated Cable ^{+ Connections} Aging Management Program," and the "Reactor Vessel Internals Inspection" (collectively "Future Inspections"), described in Sections 18.2, 18.3.1, 18.3.14 and 18.3.20,

respectively, of the UFSAR shall be incorporated by the licensee into applicable implementing documents prior to performing each of the respective Future Inspections.

- (5) The licensee shall complete the Future Inspections no later than February 6, 2013, except that the Reactor Vessel Internals Inspection shall be completed during the period of extended operation as described in Section 18.3.20 of the UFSAR.

DUKE ENERGY CORPORATION

DOCKET NO. 50-269

OCONEE NUCLEAR STATION, UNIT 1

RENEWED FACILITY OPERATING LICENSE

Renewed License No. DPR-38

The U.S. Nuclear Regulatory Commission (Commission), having previously made the findings set forth in License No. DPR-38 issued on February 6, 1973, has now found that:

- a. The application to renew License No. DPR-38 filed by Duke Energy Corporation (the licensee) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
- b. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1), and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by the renewed license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the Oconee Nuclear Station, Unit 1 (facility or plant), and that any changes made to the plant's current licensing basis in order to comply with 10 CFR 54.29(a) are in accord with the Act and the Commission's regulations;
- c. There is reasonable assurance: (i) that the activities authorized by this renewed license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the applicable regulations set forth in 10 CFR Chapter I, except as exempted from compliance;
- d. The licensee has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements";
- e. The renewal of this license will not be inimical to the common defense and security or the health and safety of the public; and
- f. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs, and considering available alternatives, the renewal of this license is in accordance with 10 CFR Part 51 and all applicable requirements have been satisfied.

Enclosure 3

On the basis of the foregoing findings regarding this facility, Facility Operating License No. DPR-38, issued on February 6, 1973, is superseded by Renewed Facility Operating License No. DPR-38, which is hereby issued to Duke Energy Corporation, to read as follows:

1. This license applies to the Oconee Nuclear Station, Unit 1, a pressurized water reactor and associated equipment (the facility) owned by the Duke Energy Corporation. The facility is located in eastern Oconee County, about eight miles northeast of Seneca, South Carolina, and is described in the "Updated Final Safety Analysis Report" (UFSAR) as supplemented and amended and the Environmental Report as supplemented and amended.
2. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses Duke Energy Corporation (the licensee):
 - A. Pursuant to Section 104b of the Act and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," to possess, use, and operate the facility at the designated location on the Oconee Nuclear Station Site in accordance with the procedures and limitations set forth in this license;
 - B. Pursuant to the Act and 10 CFR Part 70, to receive, possess, and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report as supplemented and amended;
 - C. Pursuant to the Act and 10 CFR Part 30, 40 and 70 to receive, possess, and use at any time byproduct, source, and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration and as fission detectors in amounts as required;
 - D. Pursuant to the Act and 10 CFR Parts 30, 40 and 70 to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form for sample analysis or instrument and equipment calibration or associated with radioactive apparatus or components.
 - E. Pursuant to the Act and 10 CFR Parts 30 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the Oconee Nuclear Station, Units 1, 2 and 3.
3. This license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations in 10 CFR Chapter I, Part 20, Section 30.34 of Part 30, Section 40.41 of Part 40, Sections 50.54 and 50.59 of Part 50 and Section 70.32 of Part 70; is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:
 - A. Maximum Power Level

The licensee is authorized to operate the facility at steady state reactor core power levels not in excess of 2568 megawatts thermal.
 - B. Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. _____, are hereby incorporated in the license. The licensee shall operate the facility in accordance with the Technical Specifications.

C. This license is subject to the following antitrust conditions:

Applicant makes the commitments contained herein, recognizing that bulk power supply arrangements between neighboring entities normally tend to serve the public interest. In addition, where there are net benefits to all participants, such arrangements also serve the best interests of each of the participants. Among the benefits of such transactions are increased electric system reliability, a reduction in the cost of electric power, and minimization of the environmental effects of the production and sale of electricity.

Any particular bulk power supply transaction may afford greater benefits to one participant than to another. The benefits realized by a small system may be proportionately greater than those realized by a larger system. The relative benefits to be derived by the parties from a proposed transaction, however, should not be controlling upon a decision with respect to the desirability of participating in the transaction. Accordingly, applicant will enter into proposed bulk power transactions of the types hereinafter described which, on balance, provide net benefits to applicant. There are net benefits in a transaction if applicant recovers the cost of the transaction (as defined in ¶1(d) hereof) and there is no demonstrable net detriment to applicant arising from that transaction.

1. As used herein:

- (a) "Bulk Power" means electric power and any attendant energy, supplied or made available at transmission or sub-transmission voltage by one electric system to another.
- (b) "Neighboring Entity" means a private or public corporation, a governmental agency or authority, a municipality, a cooperative, or a lawful association of any of the foregoing owning or operating, or proposing to own or operate, facilities for the generation and transmission of electricity which meets each of the following criteria: (1) its existing or proposed facilities are economically and technically feasible of interconnection with those of the applicant and (2) with the exception of municipalities, cooperatives, governmental agencies or authorities, and associations, it is, or upon commencement of operations will be, a public utility and subject to regulation with respect to rates and service under the laws of North Carolina or South Carolina or under the Federal Power Act; provided, however, that as to associations, each member of such association is either a public utility as discussed in this clause (2) or a municipality, a cooperative or a governmental agency or authority.
- (c) Where the phrase "neighboring entity" is intended to include entities engaging or proposing to engage only in the distribution of electricity, this is indicated by adding the phrase "including distribution systems".

- (d) "Cost" means any appropriate operating and maintenance expenses, together with all other costs, including a reasonable return on applicant's investment, which are reasonably allocable to a transaction. However, no value shall be included for loss of revenues due to the loss of any wholesale or retail customer as a result of any transaction hereafter described.
- 2.
- (a) Applicant will interconnect and coordinate reserves by means of the sale and exchange of emergency and scheduled maintenance bulk power with any neighboring entity(ies), when there are net benefits to each party, on terms that will provide for all of applicant's properly assignable costs as may be determined by the Federal Energy Regulatory Commission and consistent with such cost assignment will allow the other party the fullest possible benefits of such coordination.
 - (b) Emergency service and/or scheduled maintenance service to be provided by each party will be furnished to the fullest extent available from the supplying party and desired by the party in need. Applicant and each party will provide to the other emergency service and/or scheduled maintenance service if and when available from its own generation and, in accordance with recognized industry practice, from generation of others to the extent it can do so without impairing service to its customers, including other electric systems to whom it has firm commitments.
 - (c) Each party to a reserve coordination arrangement will establish its own reserve criteria, but in no event shall the minimum installed reserve on each system be less than 15%, calculated as a percentage of estimated peak load responsibility. Either party, if it has, or has firmly planned, installed reserves in excess of the amount called for by its own reserve criterion, will offer any such excess as may in fact be available at the time for which it is sought and for such period as the selling party shall determine for purchase in accordance with reasonable industry practice by the other party to meet such other party's own reserve requirement. The parties will provide such amounts of spinning reserve as may be adequate to avoid the imposition of unreasonable demands on the other party(ies) in meeting the normal contingencies of operating its (their) system(s). However, in no circumstances shall such spinning reserve requirement exceed the installed reserve requirement.
 - (d) Interconnections will not be limited to low voltages when higher voltages are available from applicant's installed facilities in the area where interconnection is desired and when the proposed arrangement is found to be technically and economically feasible.
 - (e) Interconnection and reserve coordination agreements will not embody provisions which impose limitations upon the use or resale of power and energy sold or exchanges pursuant to the agreement. Further, such arrangements will not prohibit the

participants from entering into other interconnection and coordination arrangements, but may include appropriate provisions to assure that (i) applicant receives adequate notice of such additional interconnection or coordination, (ii) the parties will jointly consider and agree upon such measures, if any, as are reasonably necessary to protect the reliability of the interconnected systems and to prevent undue burdens from being imposed on any system, and (iii) applicant will be fully compensated for its costs. Reasonable industry practice as developed in the area from time to time will satisfy this provision.

3. Applicant currently has on file, and may hereafter file, with the Federal Energy Regulatory Commission contracts with neighboring entity(ies) providing for the sale and exchange of short-term power and energy, limited term power and energy, economy energy, nondisplacement energy, and emergency capacity and energy. Applicant will enter into contracts providing for the same or for like transactions with any neighboring entity on terms which enable applicant to recover the full costs allocable to such transaction.
4. Applicant currently sells capacity and energy in bulk on a full requirements basis to several entities engaging in the distribution of electric power at retail. In addition, applicant supplies electricity directly to ultimate users in a number of municipalities. Should any such entity(ies) or municipality(ies) desire to become a neighboring entity as defined in ¶1(b) hereof (either alone or through combination with other), applicant will assist in facilitating the necessary transition through the sale of partial requirements firm power and energy. The provision of such firm partial requirements service shall be under such rates, terms and conditions as shall be found by the Federal Energy Regulatory Commission to provide for the recovery of applicant's costs. Applicant will sell capacity and energy in bulk on a full requirements basis to any municipality currently served by applicant when such municipality lawfully engages in the distribution of electric power at retail.
5. (a) Applicant will facilitate the exchange of electric power in bulk in wholesale transactions over its transmission facilities (1) between or among two or more neighboring entities, including distribution systems with which it is interconnected or may be interconnected in the future, and (2) between any such entity(ies) and any other electric system engaging in bulk power supply between whose facilities applicant's transmission lines and other transmission lines would form a continuous electric path, provided that permission to utilize such other transmission lines has been obtained. Such transaction shall be undertaken provided that the particular transaction reasonably can be accommodated by applicant's transmission system from a functional and technical standpoint and does not constitute the wheeling of power to a retail customer. Such transmission shall be on terms that fully compensate applicant for its cost. Any entity(ies) requesting such transmission arrangements shall give reasonable notice of its (their) schedule and requirements.

- (b) Applicant will include in its planning and construction program, sufficient transmission capacity as required for the transactions referred to in subparagraph (a) of this paragraph, provided that (1) the neighboring entity(ies) gives applicant sufficient advance notice as may be necessary reasonably to accommodate its (their) requirements from a functional and technical standpoint and (2) that such entity(ies) fully compensates applicant for its cost. In carrying out this subparagraph (b), however, applicant shall not be required to construct or add transmission facilities which (a) will be of no demonstrable present or future benefit to applicant, or (b) which could be constructed by the requesting entity(ies) without duplicating any portion of applicant's existing transmission lines, or (c) which would jeopardize applicant's ability to finance or construct on reasonable terms facilities needed to meet its own anticipated system requirements. Where regulatory or environmental approvals are required for the construction or addition of transmission facilities, needed for the transactions referred to in subparagraph (a) of this paragraph, it shall be the responsibility of the entity(ies) seeking the transaction to participate in obtaining such approvals, including sharing in the cost thereof.
6. To increase the possibility of achieving greater reliability and economy of electric generation and transmission facilities, applicant will discuss load projections and system development plans with any neighboring entity(ies)
7. When applicant's plans for future nuclear generating units (for which application will hereafter be made to the Nuclear Regulatory Commission) have reached the stage of serious planning, but before firm decisions have been made as to the size and desired completion date of the proposed nuclear units, applicant will notify all neighboring entities, including distribution systems with peak loads smaller than applicant's, that applicant plans to construct such nuclear units. Neither the timing nor the information provided need be such as to jeopardize obtaining the required site at the lowest possible cost.
8. The foregoing commitments shall be implemented in a manner consistent with the provisions of the Federal Power Act and all other lawful local, state and Federal regulation and authority. Nothing in these commitments is intended to determine in advance the resolution of issues which are properly raised at the Federal Energy Regulatory Commission concerning such commitments, including allocation of costs or the rates to be charged. Applicant will negotiate (including the execution of a contingent statement of intent) with respect to the foregoing commitments with any neighboring entity including distribution systems where applicable engaging in or proposing to engage in bulk power supply transactions, but applicant shall not be required to enter into any final arrangement prior to resolution of any substantial questions as to the lawful authority of an entity to engage in the transactions. In addition, applicant shall not be obligated to enter into a given bulk power supply transaction if: (1) to do so would violate, or incapacitate it from performing

any existing lawful contract it has with a third party; (2) there is contemporaneously available to it, a competing or alternative arrangement which affords it greater benefits which would be mutually exclusive of such arrangement; (3) to do so would adversely affect its system operations or the reliability of power supply to its customers; or (4) if to do so would jeopardize applicant's ability to finance or construct on reasonable terms facilities needed to meet its own anticipated system requirements.

D. Fire Protection

Duke Energy Corporation shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the facility and as approved in the SER's dated August 11, 1978, and April 28, 1983; October 5, 1978, and June 9, 1981 Supplements to the SER dated August 11, 1978; and Exemptions dated February 2, 1982; August 31, 1983; December 27, 1984; December 5, 1988; and August 21, 1989 subject to the following provision:

The licensee may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

E. Physical Protection

Duke Energy Corporation shall fully implement and maintain in effect all provisions of the Commission-approved nuclear security and contingency and guard training and qualification plans, including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plan that contains Safeguards Information protected under 10 CFR 73.21 is entitled: "Nuclear Security and Contingency Plan," with revisions submitted through April 26, 1999. The plan that does not contain safeguards information is entitled, "Nuclear Security Training and Qualification Plan," with revisions submitted through August 18, 1999. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

- F. In the update to the UFSAR required pursuant to 10 CFR 50.71(e)(4) scheduled for July, 2001, the licensee shall update the UFSAR to include the UFSAR supplement submitted pursuant to 10 CFR 54.21(d) as revised on [DATE]. Until the UFSAR update is complete, the licensee may make changes to the programs described in its UFSAR supplement without prior Commission approval, provided that the licensee evaluates each such change pursuant to the criteria set forth in 10 CFR 50.59 and otherwise complies with the requirements in that section.
- G. The licensee's UFSAR supplement submitted pursuant to 10 CFR 54.21(d), as revised on [DATE], describes certain future inspection activities to be completed before the period of extended operation. The licensee shall complete these activities no later than February 6, 2013.

4. This renewed license is effective as of the date of issuance and shall expire at midnight on February 6, 2033.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachments:

- 1) Appendix A - Technical Specifications Renewed License No. DPR-38

Date of Issuance: