

June 10, 1998

Mr. W. R. McCollum
Vice President, Oconee Site
Duke Energy Corporation
P. O. Box 1439
Seneca, SC 29679

SUBJECT: OCONEE NUCLEAR STATION, UNITS 1 AND 3 - NOTICE OF CONSIDERATION
OF ISSUANCE OF AMENDMENTS (TAC NOS. MA1984 AND MA1985)

Dear Mr. McCollum:

The Commission has forwarded the enclosed "Notice of Consideration of Issuance of Amendments to Facility Operating Licenses, Proposed No Significant Hazards Consideration Determination, and Opportunity For a Hearing" to the Office of the Federal Register for publication.

This notice relates to your application dated June 4, 1998, to amend the Oconee Nuclear Station, Units 1 and 3 Technical Specifications to allow continued operation with certain steam generator tubes that exceed their repair limit as a result of tube end anomalies. These tubes would be temporarily exempt from the requirement for sleeving, rerolling, or removal from service until repaired during or before the next scheduled refueling outages for the respective unit. This action is related to the Notice of Enforcement Discretion that was granted orally at 12:25 p.m. on June 3, 1998, and issued by letter dated June 4, 1998.

Sincerely,
Original signed by:

David E. LaBarge, Senior Project Manager
Project Directorate II-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket Nos. 50-269 and 50-287

Enclosure: As stated

cc w/encl: See next page

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**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

WASHINGTON, D.C. 20555-0001

June 10, 1998

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Vice President, Oconee Site
Duke Energy Corporation
P. O. Box 1439
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Sincerely,

A handwritten signature in black ink, appearing to read "D. LaBarge".

David E. LaBarge, Senior Project Manager
Project Directorate II-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket Nos. 50-269 and 50-287

Enclosure: As stated

cc w/encl: See next page

Oconee Nuclear Station

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UNITED STATES NUCLEAR REGULATORY COMMISSIONDUKE ENERGY CORPORATIONDOCKET NOS. 50-269 AND 50-287NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENTS TO
FACILITY OPERATING LICENSES. PROPOSED NO SIGNIFICANT HAZARDS
CONSIDERATION DETERMINATION. AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of amendments to Facility Operating License Nos. DPR-38 and DPR-55, issued to the Duke Energy Corporation (the licensee), for operation of the Oconee Nuclear Station, Units 1 and 3, respectively, located in Seneca, South Carolina.

If approved, the proposed amendments would amend the Oconee Nuclear Station, Units 1 and 3 Technical Specifications (TS) to allow continued operation with certain steam generator tubes that exceed their repair limit as a result of tube end anomalies (TEAs). These tubes would be temporarily exempt from the requirement for sleeving, rerolling, or removal from service until repaired during the next scheduled refueling outages for the respective unit or plant conditions that result in an extended cold shutdown of greater than 7 days.

Oconee TS Section 4.17.2, Steam Generator Tubing Surveillance Acceptance Criteria, requires that the steam generators be operable and all tubes that are examined and found to exceed their repair criteria be repaired by sleeving or rerolling, or removed from service. During the recent Unit 2 refueling outage, several indications of TEAs were found and repaired. As a result, a detailed reanalysis of the Unit 1 and 3 steam generator tube surveillance data that was obtained during the previous refueling outages for each unit was conducted. This

reanalysis determined that 372 indications out of 2951 TEAs not previously repaired for Unit 1 and 61 out of 66 TEAs not previously repaired on Unit 3 extended beyond the upper surface of the tubesheet clad. These indications, if they had been found during the respective refueling outages, would have met the criteria for repair during the outage.

When these findings were discussed with the staff on June 3, 1998, a Notice of Enforcement Discretion was issued verbally on June 3, 1998, to exercise discretion not to enforce compliance with TS 4.17.2 for the Unit 1 and Unit 3 steam generator tubes that exceed the repair limit as a result of TEAs for the period from 12:25 p.m. on June 3, 1998, until issuance of the related amendments. The request for license amendments was submitted by letter dated June 4, 1998. Since the proposed amendments are designed to complete the review process and implement the proposed TS changes, pursuant to the NRC's policy regarding exercising discretion for an operating facility set out in Section VII.c of the "General Statement of Policy and Procedures for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600, and be effective for the period until the issuance of the related TS amendments, these circumstances require that the amendments be processed under exigent circumstances.

Before issuance of the proposed license amendments, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations.

Pursuant to 10 CFR 50.91(a)(6) for amendments to be granted under exigent circumstances, the NRC staff must determine that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendments would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by

10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below:

[This proposed change has been evaluated against the standards in 10 CFR 50.92 and has been determined to involve no significant hazards, in that operation of the facility in accordance with the proposed amendment would not:]

1. Involve a significant increase in the probability or consequences of an accident previously evaluated:

This evaluation addresses the potential effects of a missed surveillance and repair opportunity for steam generator tubes. As described in the technical justification, operating with some steam generator tubes with TEAs and repairable indications in Units 1 and 3 does not increase the probability of an accident evaluated in the SAR [Safety Analysis Report] because this condition is not an accident initiator. There is no physical change to the plant SSCs [structures, systems, components] or operating procedures. Neither electrical power systems, nor important to safety mechanical SSCs will be adversely affected. The steam generators have been evaluated as operable for normal and accident conditions. There are no shutdown margin, reactivity management, or fuel integrity concerns.

This activity will not adversely affect the ability to mitigate any SAR described accidents. The total evaluated main steam line break leakage from the areas evaluated is 0.023 gpm [gallons per minute] for Unit 1 which is the limiting unit. The resulting leakage was considerably less than that assumed in the off site dose analysis of 0.7 gpm for each unit. Therefore both Units 1 and 3 met the MSLB [Main Steamline Break] leakage requirements for steam generator integrity with no compensatory actions required. There is no adverse impact on containment integrity, radiological release pathways, fuel design, filtration systems, main steam relief valve setpoints, or radwaste systems.

There is no increase in accident initiation likelihood or consequences, therefore analyzed accident scenarios are not impacted.

2. Create the possibility of a new or different kind of accident from any kind of accident previously evaluated:

There is no increased risk of unit trip, or challenge to the RPS [Reactor Protection System] or other safety systems. There is no physical effect on the plant, i.e., none on RCS [Reactor Coolant System] temperature, boron concentration, control rod manipulations, core configuration changes, and no impact on nuclear instrumentation. There is no increased risk of a reactivity excursion. No new failure modes or credible accident scenarios are postulated from this activity. The MSLB scenario has been evaluated and the potential for damage to the steam generator tubes is not increased.

3. **Involve a significant reduction in a margin of safety[:]**

No function of any important to safety SSC will be adversely affected or degraded as a result of continued operation. No safety parameters, setpoints, or design limits are changed. There is no adverse impact to the nuclear fuel, cladding, RCS, or required containment systems. Therefore, the margins of safety as defined in the bases to any Technical Specifications are not reduced as a result of this change.

Duke [Duke Energy Corporation] has concluded, based on the above, that there are no significant hazards considerations involved in this amendment request.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 14 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendments until the expiration of the 14-day notice period. However, should circumstances change during the notice period, such that failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license amendments before the expiration of the 14-day notice period, provided that its final determination is that the amendments involve no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish in the FEDERAL REGISTER a notice of issuance. The Commission expects that the need to take this action will occur very infrequently.

Written comments may be submitted by mail to the Chief, Rules and Directives Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page

number of this FEDERAL REGISTER notice. Written comments may also be delivered to Room 6D59, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC.

The filing of requests for hearing and petitions for leave to intervene is discussed below.

By July 16, 1998, the licensee may file a request for a hearing with respect to issuance of the amendments to the subject facility operating licenses and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. Interested persons should consult a current copy of 10 CFR 2.714 which is available at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Oconee County Library, 501 West South Broad Street, Walhalla, South Carolina. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) the nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the

nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to 15 days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than 15 days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the petitioner is aware and on which the petitioner intends to rely to establish those facts or expert opinion. Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendments under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

If the amendments are issued before the expiration of the 30-day hearing period, the Commission will make a final determination on the issue of no significant hazards consideration. If a hearing is requested, the final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendments and make them immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendments.

If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to Mr. J. Michael McGarry, III, Winston and Strawn, 1200 17th Street, NW., Washington, DC 20036, attorney for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the

petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(l)-(v) and 2.714(d).

For further details with respect to this action, see the application for amendments dated June 4, 1998, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room, located at the Oconee County Library, 501 West South Broad Street, Walhalla, South Carolina.

Dated at Rockville, Maryland, this 10th day of June 1998.

FOR THE NUCLEAR REGULATORY COMMISSION



David E. LaBarge, Senior Project Manager
Project Directorate II-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation