

May 23, 2002

Mr. William R. McCollum, Jr.
Vice President, Oconee Site
Duke Energy Corporation
7800 Rochester Highway
Seneca, SC 29672

SUBJECT: OCONEE NUCLEAR STATION, UNITS 1, 2 AND 3 - REPLY TO RESPONSE
TO ORDER FOR INTERIM SAFEGUARDS AND SECURITY COMPENSATORY
MEASURES (TAC NOS. MB4153, MB4154 AND MB4155)

Dear Mr. McCollum:

On February 25, 2002, the U.S. Nuclear Regulatory Commission (NRC) issued an Order modifying the operating license for the Oconee Nuclear Station, Units 1, 2 and 3 (Oconee) to require compliance with the specified interim safeguards and security compensatory measures. The interim compensatory measures (ICMs) were listed in Attachment 2 to the Order. When issuing the Order, the Commission recognized that you have voluntarily and responsibly implemented additional security measures following the events of September 11, 2001, but in light of the continuing generalized high-level threat environment, the Commission concluded that the security measures should be embodied in an Order consistent with the established regulatory framework.

The Order required responses and actions within specified timeframes. Section III.A of the Order required licensees to immediately start implementation of the requirements listed in Attachment 2 to the Order and to complete implementation no later than August 31, 2002. Section III.B of the Order required licensees to notify the Commission: (1) if they are unable to comply with the requirements described in Attachment 2, (2) if compliance with any of the requirements is unnecessary in their specific circumstances, (3) if implementation of any of the requirements would cause the licensee to be in violation of the provisions of any Commission regulation or the facility license, or (4) if implementation of any of the requirements described in Attachment 2 would adversely impact the safe operation of the facility. Section III.C.1 of the Order required licensees to submit to the Commission, within 20 days of the date of the Order, a schedule for achieving compliance with each requirement described in Attachment 2 to the Order. Section IV of the Order noted that in accordance with 10 C.F.R. § 2.202, the licensee must submit an answer to the Order and may request a hearing on the Order within 20 days of the date of the Order and, where good cause is shown, consideration would be given to extend the time to request a hearing.

In two letters dated March 18, 2002, Duke Energy Corporation (Duke) submitted a response to the Order for Oconee and a request for extension. In your letter dated May 1, 2002, you submitted supplementary information for Oconee. Your letters, as supplemented through May 1, 2002, are being treated as a request for an extension of time to file a request for a hearing for potential implementation issues associated with ICM B.2.a(2).

The NRC staff has reviewed your response and finds that you have satisfied the 20-day reporting requirements of the Order. An extension of time is hereby granted until June 1, 2002, for your filing of a request for hearing related to ICM B.2.a(2).

You stated that your response to the requirements of the Order “.. is intended to be representative of our method of compliance. We do not intend to supplement our response in the event of minor deviations from the method of compliance set forth in our response, provided compliance with the Order is maintained and the change is internally documented.” The NRC staff does not accept this proposal, since there can be no assurance that we would agree with your characterization of future deviations as minor. We therefore expect you to inform us of any changes you intend relating to the actions described in your response.

The NRC will determine the effectiveness of your implementation of the ICMs through on-site inspections. I would like to remind you that, pursuant to Section III.C.2 of the Order, you are to report to the Commission when you have achieved full compliance with the requirements described in Attachment 2 to the Order.

Please contact Lenny Olshan at (301) 415-1419 if you have any other questions on these issues.

Sincerely,

/RA/

John A. Zwolinski, Director
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-269, 50-270, and 50-287

cc: See next page

The NRC staff has reviewed your response and finds that you have satisfied the 20-day reporting requirements of the Order. An extension of time is hereby granted until June 1, 2002, for your filing of a request for hearing related to ICM B.2.a(2).

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/RA/

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*See previous concurrence.

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Oconee Nuclear Station

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