

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Duke Energy Corporation (EA-04-018)
Oconee Nuclear Station
Docket No. 050-00269, 270, 287

Subject: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -
\$60,000

This is to inform the Commission that a Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$60,000 will be issued on or about April 8, 2004 to Duke Energy Corporation as result of an inspection at the Oconee Nuclear Station. The action is based on a Severity Level III violation involving a failure to adhere to the requirements of 10 FR 50.59, in that the licensee made changes to the Oconee facility, as described in the Updated Final Safety Analysis Report in May 2001 which involved unreviewed safety questions without obtaining prior NRC approval. In this case, the licensee revised the analysis for high energy line break (HELB) accidents, permitting the facility to initiate emergency feedwater up to 30 minutes after a HELB as opposed to the previously reviewed and approved 15 minutes and revised the analysis to permit initiation of high pressure injection up to 8 hours after a HELB as opposed to the reviewed and approved 1 hour.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$60,000 is considered for a Severity Level III violation. Because Oconee has not been the subject of escalated enforcement actions within the last two years, the staff considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section VI.C.2 of the Enforcement Policy. During the predecisional enforcement conference the licensee provided corrective actions which included rewriting the licensee's 10 CFR 50.59 evaluation. However, the corrective actions taken failed to restore the facility to compliance and, at the time of the conference, the licensee had not completed its' root cause analysis. Based on the failure to bring the facility into compliance prior to the conference, the staff determined that credit for *Corrective Action* was not warranted. Therefore, the staff is proposing imposition of a base civil penalty in the amount of \$60,000. The licensee has been contacted regarding the need to implement corrective actions.

It should be noted that the licensee has not been specifically informed of the enforcement action. The schedule of issuance and notification is:

Mailing of Notice	April 8, 2004
Telephone Notification of Licensee	April 8, 2004

The State of South Carolina will be notified.

The licensee has thirty days from the date of the Notice in which to respond. Following NRC evaluation of the response, the civil penalty may be remitted, mitigated, or imposed by Order.

Contacts: Jennifer Dixon-Herrity, OE, 415-1980; Chris Nolan, OE, 415-3360

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**PRELIMINARY INFORMATION - NOT FOR PUBLIC DISCLOSURE UNTIL
VERIFICATION THAT LICENSEE HAS RECEIVED ACTION**