

March 15, 2005

U. S. Nuclear Regulatory Commission  
Region II  
Sam Nunn Atlanta Federal Center  
61 Forsyth Street SW Suite 23T85  
Atlanta, Georgia 30303-8931

ATTN: Dr. William D. Travers

Subject: Oconee Nuclear Station - Units 1, 2 and 3  
Docket Nos. 50-269, 50-270, 50-287  
Request to Cancel Performance of Degraded  
Cornerstone 95002 Inspection

Duke Energy Corporation (Duke) received the Nuclear Regulatory Commission (NRC) Final Significance Determination Process (SDP) for a White Finding and Notice Of Violation (NOV) in a letter from you dated September 24, 2004. The specific finding was related to the timing of implementation of fire protection procedures following recognition of a fire. Since that time, Duke has been engaged with members of your staff to schedule the performance of Inspection Procedure 95002 for a Degraded Cornerstone, due to this finding and a previous White Finding that was closed on October 4, 2004. The week of May 23, 2005 has now been scheduled for performance of this inspection. The purpose of this letter is to formally request that the NRC, in accordance with Inspection Manual Chapter (IMC) 0305, Section 06.06.f, deviate from the Action Matrix and either not perform this inspection or conduct a limited scope inspection for the reasons detailed below.

Duke submitted a Letter of Intent to the NRC on February 28, 2005, informing of intentions to adopt NFPA-805, Performance Based Standard for Fire Protection for Light Water Reactor Generating Plants, 2001 Edition. This Letter of Intent is applicable to each Duke nuclear facility. Adoption of the NFPA-805 standard is fully voluntary and benefits both Duke and the NRC by providing a vehicle to clarify long-standing Fire Protection licensing basis issues, while ensuring each site has and maintains an acceptable fire risk level. Enforcement Discretion, as provided for under the NRC's interim enforcement policy of June 16, 2004, has been requested for the previously identified violations as part of the Letter of Intent process under 10CFR 50.48. Areas of non-compliance discovered during the transition process would not be subject to enforcement action.

It should be noted that Oconee will be designated as a Pilot Plant during the NFPA-805 implementation process, further subjecting the Site to extensive NRC oversight and review throughout the transition process.

In concert with the NFPA-805 transition, a comprehensive Appendix R Reconstitution Project is underway at all Duke Facilities, including Oconee. This reconstitution effort provides an effective barrier against latent Fire Protection issues, as it performs a thorough extent of condition review by establishing a known starting point and applying the latest industry guidance to review the safe shutdown program. The ultimate result of both the Appendix R Reconstitution project and adoption of NFPA-805 will be a new Fire Protection Program at Oconee incorporating a more robust risk-informed Licensing Basis.

Additionally, risk reviews driven from NFPA-805 also provide barriers against similar latent Fire Protection issues since safe shutdown analysis and procedure implementation will be reviewed with respect to risk. As problems are uncovered under the transition process, the risk reviews will identify gaps and drive resolution through the Oconee corrective action processes.

The planned 95002 Degraded Cornerstone Inspection would focus on the existing Oconee Fire Protection Program. As noted, this program will be replaced with a new program driven from the NFPA-805 standard. Any corrective actions

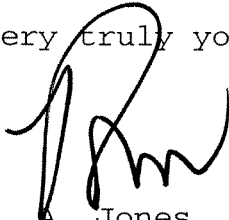
that would result from a 95002 Inspection will be addressed under the NFPA-805 standard.

A 95002 Inspection would involve numerous dedicated resources, both NRC and Duke. Use of these resources to evaluate a soon-to-be replaced Fire Protection Program would be inefficient. Additionally, little overall value would be added since the fire recognition issues identified in the NOV were corrected in applicable station procedures in 2003, and the Licensing Basis for those issues will be replaced under NFPA-805.

Therefore, for the reasons noted above, Duke requests that the NRC deviate from the Action Matrix for the subject White Finding as allowed by the provisions of IMC 0305 Section 06.06.f, and either not perform the subject 95002 Inspection, or conduct a more limited scope inspection.

If you have any questions or require additional information, please contact Graham Davenport, Oconee Regulatory Compliance Manager at (864) 885-3044.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. A. Jones', written over the closing text.

R. A. Jones  
Site Vice President  
Oconee Nuclear Site

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Cc: M. C. Shannon, Senior Resident Inspector  
Oconee Nuclear Site

L. N. Olshan, Senior Project Manager  
NRR

Chuck Casto  
Region II