



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION II  
SAM NUNN ATLANTA FEDERAL CENTER  
61 FORSYTH STREET, SW, SUITE 23T85  
ATLANTA, GEORGIA 30303-8931

August 30, 2005

Duke Energy Corporation  
ATTN: Mr. Ronald A. Jones  
Vice President  
Oconee Site  
7800 Rochester Highway  
Seneca, SC 29672

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - OCONEE  
NUCLEAR STATION

Dear Mr. Jones:

On August 3, 2005, the NRC staff completed its performance review of the Oconee Nuclear Station for the first half of the calendar year 2005 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and the enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Exempt from Public Disclosure in Accordance with 10 CFR 2.390" will include the physical protection review and a resultant inspection plan.

Plant performance for the most recent quarter was within the Regulatory Response Column of the NRC's Action Matrix due to a third quarter 2004 Mitigating Systems cornerstone finding of low to moderate safety significance (White) involving a failure to maintain the licensing basis commitment for staffing the standby shutdown facility (SSF) in the event of a confirmed plant fire. As discussed in the Annual Assessment Letter, dated March 2, 2005, we conducted a Supplemental Inspection using NRC Inspection Procedure 95002, the week of May 23, 2005. The results of this inspection, documented in NRC Inspection Report 05000269,270,287/2005006, issued on June 22, 2005, determined that your problem identification, extent-of-condition evaluation, and corrective actions for this White finding, as well as a third quarter 2003 White finding discussed in the Annual Assessment Letter were adequate.

For your information, the following issues are still under staff review as part of the Significance Determination Process and may warrant additional supplemental inspections if they are determined to be of greater than very low risk significance.

- URI 05000269,270,287/2004002-04 (Potential Failure to Maintain RB Coatings per GL 98-04 Commitments, Resulting in Potential Loss of RBES Recirculation)
- URI 05000287/2002007-02 (Unit 3 Control Room Wall not Designed to Withstand Tornado Loads) and URI 05000287/2004003-02 (Inadequate Corrective Actions Related

to the Improper Use of 10 CFR 50.59 to Change the UFSAR Tornado Missile Design Requirements of the Unit 3 Control Room)

Based on the results of the Supplemental Inspection, we plan to conduct only reactor oversight process baseline inspections at your facility through March 31, 2007. We also plan on conducting inspections that are not part of the routine baseline inspection program. These inspections include a routine inspection associated with your independent spent fuel storage installation; a safety issue inspection concerning the reactor pressurizer penetration nozzles and steam space piping connections (NRC Bulletin 2004-01); and the administration of operator licensing examinations.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through March 31, 2007. The inspection plan is provided to minimize the resource impact on your staff and to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last twelve months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Michael Ernstes at (404) 562-4540 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

**/RA/**

Charles A. Casto, Director  
Division of Reactor Projects

Docket Nos. 50-269, 50-270, 50-287  
License Nos. DRP-38, DRP-47, DRP-55

Enclosure: Oconee Inspection/Activity Plan

DEC

3

cc w/encl:

B. G. Davenport  
Compliance Manager (ONS)  
Duke Energy Corporation  
Electronic Mail Distribution

Lisa Vaughn  
Legal Department (PB05E)  
Duke Energy Corporation  
422 South Church Street  
P. O. Box 1244  
Charlotte, NC 28201-1244

David A. Repka  
Winston & Strawn LLP  
Electronic Mail Distribution

Beverly Hall, Acting Director  
Division of Radiation Protection  
N. C. Department of Environmental  
Health & Natural Resources  
Electronic Mail Distribution

Henry J. Porter, Assistant Director  
Div. of Radioactive Waste Mgmt.  
S. C. Department of Health and  
Environmental Control  
Electronic Mail Distribution

R. Mike Gandy  
Division of Radioactive Waste Mgmt.  
S. C. Department of Health and  
Environmental Control  
Electronic Mail Distribution

County Supervisor of  
Oconee County  
415 S. Pine Street  
Walhalla, SC 29691-2145

Lyle Graber, LIS  
NUS Corporation  
Electronic Mail Distribution

R. L. Gill, Jr., Manager  
Nuclear Regulatory Issues  
and Industry Affairs  
Duke Energy Corporation  
526 S. Church Street  
Charlotte, NC 28201-0006

Peggy Force  
Assistant Attorney General  
N. C. Department of Justice  
Electronic Mail Distribution

DEC

4

Distribution w/encl:

L. Olshan, NRR  
L. Slack, RII EICS  
RIDSNRRDIPMLIPB  
PUBLIC

X SISP REVIEW COMPLETE: Initials: \_\_CAC1\_    SISP REVIEW PENDING\*: Initials: \_\_\_\_\_ \*Non-Public until the review is complete  
 X PUBLICLY AVAILABLE    NON-PUBLICLY AVAILABLE    SENSITIVE    X NON-SENSITIVE  
ADAMS:X  Yes   ACCESSION NUMBER: \_\_\_\_\_

OFFICE	RII/DRP	RII/DRP					
SIGNATURE		JBB1 for					
NAME	MKing	MErnstes					
DATE	8/ /2005	8/30/2005	8/ /2005	8/ /2005	8/ /2005	8/ /2005	8/ /2005
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY   DOCUMENT NAME: E:\Filenet\ML052420680.wpd