



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

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

March 2, 2006

Duke Energy Corporation  
ATTN: Mr. B. H. Hamilton  
Site Vice President  
Oconee Nuclear Station  
7800 Rochester Highway  
Seneca, SC 29672

SUBJECT: ANNUAL ASSESSMENT LETTER - OCONEE NUCLEAR STATION  
(NRC INSPECTION REPORT 05000269/2006001, 05000270/2006001,  
AND 05000287/2006001)

Dear Mr. Hamilton:

On February 7, 2006, the NRC staff completed its performance review of Oconee Nuclear Station. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2005. 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 enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Official Use Only - Security-Related Information," will include the physical protection review and resultant inspection plan.

Overall, Oconee Units 1, 2, and 3 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the third quarter of the assessment cycle, was within the Licensee Response Column of the NRC's Action Matrix. We base this conclusion on the fact that all inspection findings were classified as having very low safety significance (Green) and all PIs indicated performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility. We also plan on conducting several non-ROP inspections which include: (1) operator licensing examinations; (2) routine inspections of activities associated with your Independent Spent Fuel Storage Installation; and (3) safety issue inspections concerning containment sump blockage modifications and procedures (Generic Safety Issue-191 and Generic Letter 2004-02).

However, plant performance for the first and second quarters of the assessment cycle was within the Regulatory Response Column of the NRC's Action Matrix based on a third quarter 2004 Mitigating Systems cornerstone finding of low to moderate safety significance (White). This White finding involved 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 Mid-Cycle Assessment Letter, dated August 30, 2005, this White finding was closed during the second quarter of the assessment cycle in Supplemental Inspection Report 05000269,270,287/2005006.

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.

- Unresolved Item (URI) 05000270/2005005-02 (Inadequate Foreign Material Exclusion Controls for the A and B Train Reactor Building Emergency Sump Suction Lines)
- URI 05000269,270,287/2005004-07 (Untimely Corrective Actions in Correcting the East Penetration Room Blowout Panel Deficiency) and URI 05000269,270,287/2005004-08 (Failure to Meet the Reportability Requirements of 10 CFR 50.73 for the East Penetration Room Blow Out Panel Deficiency)
- URI 05000269,270,287/2005004-10 (Failure to Maintain Containment Electrical Penetration Enclosures)

In addition, the staff is also continuing its review of licensing basis issues associated with tornado mitigation and high energy line break analysis.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 2007. The inspection plan is provided 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 nine months of the inspection plan are tentative and may be revised at the mid-cycle review. Although our intent is to maintain the enclosed inspection plan fixed for the first nine months, a need may arise to conduct one or more unanticipated inspections prior to issuing an updated inspection plan with the 2006 assessment cycle mid-cycle letter. If an inspection of this type becomes necessary, we will notify you of the planned inspection dates as soon as possible to resolve as much as we can, any scheduling and personnel availability conflicts you may have.

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 our inspection plan, we will contact you to discuss the change as soon as possible. Please contact Mr. Michael E. Ernstes at (404) 562-4540 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

**/RA/**

Charles Casto, Director  
Division of Reactor Projects

Docket Nos.: 50-269, 50-270, 50-287, 72-04

License Nos.: DPR-38, DPR-47, DPR-55

Enclosure: Oconee Inspection/Activity Plan

cc w/encl:  
B. G. Davenport  
Compliance Manager (ONS)  
Duke Energy Corporation  
Electronic Mail Distribution

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

Distribution w/encl: (See page 5)

Lisa Vaughn  
Associate General Counsel  
Duke Energy Corporation  
526 South Church Street  
Mail Code EC 07H  
Charlotte, NC 28201-1244

Anne Cottingham  
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

DEC

5

Distribution w/encl:

L. Olshan, NRR

L. Slack, RII EICS

RIDSNNRRDIRSLPAB

RIDSNNRRDIPMLIPB

INPO

PUBLIC

☐ PUBLICLY AVAILABLE

☐ NON-PUBLICLY AVAILABLE

☐ SENSITIVE

☐ NON-SENSITIVE

ADAMS: ☐ Yes      ACCESSION NUMBER: \_\_\_\_\_

OFFICE	RII:DRP	RII:DRP					
SIGNATURE	REC1	MEE					
NAME	RCarroll:rcm	MErnstes					
DATE	3/01/2006	3/02/2006	March 6, 2006	March 6, 2006	March 6, 2006	March 6, 2006	March 6, 2006
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY

DOCUMENT NAME: E:\Filenet\ML060610656.wpd