



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

March 3, 2011

Mr. Preston Gillespie  
Site Vice President  
Oconee Nuclear Station  
Duke Energy Carolinas, LLC  
7800 Rochester Highway  
Seneca, SC 29672

SUBJECT: OCONEE NUCLEAR STATION, UNITS 1, 2, AND 3 (ONS), AUDIT OF THE LICENSEE'S MANAGEMENT OF REGULATORY COMMITMENTS (TAC NOS. ME5040, ME5041, AND ME5042)

Dear Mr. Gillespie:

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000 (Agencywide Documents Access and Management System (ADAMS), Accession No. ML003741774), the U. S. Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," (ADAMS Accession No. ML003680088) contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC Office of Nuclear Reactor Regulation has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that regulatory commitments are being effectively implemented.

An audit of ONS's commitment management program was performed at the ONS plant site during the period of January 24 through 26, 2011. The NRC staff concludes, based on the audit, that (1) ONS has implemented NRC commitments on a timely basis, and (2) ONS has implemented an effective program for managing NRC commitment changes. Details of the audit are set forth in the enclosed audit report.

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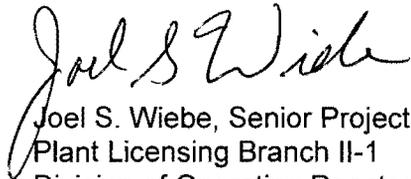
P. Gillespie

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No nonconformance with NRC requirements nor deficiencies were identified.

If you have any questions, please call me at 301-415-6606.

Sincerely,



Joel S. Wiebe, Senior Project Manager  
Plant Licensing Branch II-1  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

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

Enclosure:  
Audit Report w/Attachment 2 Redacted

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UNITED STATES  
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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION  
LICENSEE'S MANAGEMENT OF REGULATORY COMMITMENTS  
OCONEE NUCLEAR STATION, UNITS 1, 2, AND 3  
DOCKET NOS. 50-269, 50-270, AND 50-287

1.0 INTRODUCTION AND BACKGROUND

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, the U. S. Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC Office of Nuclear Reactor Regulation (NRR) has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that regulatory commitments are being effectively implemented.

NEI 99-04 defines a regulatory commitment as an explicit statement to take a specific action agreed to, or volunteered by, a licensee and submitted in writing on the docket to the NRC. NRR guidelines direct the NRR Project Manager to audit the licensee's commitment management program by assessing the adequacy of the licensee's implementation of a sample of commitments made to the NRC in past licensing actions (amendments, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.). The audit is to be performed every 3 years.

2.0 AUDIT PROCEDURE AND RESULTS

An audit of the Oconee Nuclear Station, Units 1, 2, and 3 (ONS) commitment management program was performed at the ONS plant site during the period of January 24 through 26, 2011. The audit reviewed commitments made since the previous audit on December 4, 2007. The audit consisted of two major parts: (1) verification of the licensee's implementation of NRC commitments that have been completed, and (2) verification of the licensee's program for managing changes to NRC commitments.

Enclosure

## 2.1 Verification of Licensee's Implementation of NRC Commitments

The primary focus of this part of the audit is to confirm that the licensee has implemented commitments made to the NRC as part of past licensing actions/activities. For commitments not yet implemented, the NRC staff determines whether they have been captured in an effective program for future implementation.

### 2.1.1 Audit Scope

The audit addressed a sample of commitments made during the review period. The audit focused on regulatory commitments (as defined above) made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Commitments made in Licensee Event Reports or in response to Notices of Violation may be included in the sample, but the review will be limited to verification of restoration of compliance, not the specific methods used. Before the audit, the NRC staff searched ADAMS for the licensee's submittals since the last audit and selected a representative sample for verification.

The audit excluded the following types of commitments that are internal to licensee processes:

- (1) Commitments made on the licensee's own initiative among internal organizational components,
- (2) Commitments that pertain to milestones of licensing actions/activities (e.g., respond to an NRC request for additional information by a certain date). Fulfillment of these commitments was indicated by the fact that the subject licensing action/activity was completed, and
- (3) Commitments made as an internal reminder to take actions to comply with existing regulatory requirements such as regulations, Technical Specifications (TSs), and Updated Final Safety Analysis Reports. Fulfillment of these commitments was indicated by the licensee having taken timely action in accordance with the subject requirements.

### 2.1.2 Audit Results

The attached Audit Summary provides details of the audit and its results.

The NRC staff found that the licensee has implemented commitments made to the NRC as part of past licensing actions/activities. For commitments not yet implemented, the NRC staff found they have been captured in the program described in Section 2.2, below, for future implementation.

## 2.2 Verification of the Licensee's Program for Managing NRC Commitment Changes

The primary focus of this part of the audit is to verify that the licensee has established administrative controls for modifying or deleting commitments made to the NRC. The NRC staff compared the licensee's process for controlling regulatory commitments to the guidelines in NEI-99-04, which the NRC has found to be an acceptable guide for licensees to follow for managing and changing commitments. The process used at ONS is contained in Nuclear System Directive 214, "Regulatory Commitment Management." The audit reviewed a sample of commitment changes that included changes that were or will be reported to the NRC, and changes that were not or will not be reported to the NRC. The audit also verifies that the licensee's commitment management system includes a mechanism to ensure traceability of

commitments following initial implementation. This ensures that licensee personnel are able to recognize that future proposed changes to the affected design features or operating practices require evaluation in accordance with the commitment change control process.

#### 2.2.1 Audit Results

The attached Audit Summary also provides details of this portion of the audit and its results. The NRC staff found that Nuclear System Directive 214 conforms to NEI 99-04 guidelines for commitment tracking, commitment change process, traceability of commitments, and reporting requirements. The NRC staff found that for the sample of commitments selected, the licensee followed the process, including handling of changes to commitments.

### 3.0 CONCLUSION

The NRC staff concludes, based on the above audit, that (1) ONS has implemented NRC Commitments on a timely basis, and (2) ONS has implemented an effective program for managing NRC commitment changes.

### 4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

Kent Alter  
Judy Smith  
Rich Freudenberger

Attachment 1: Summary of Audit Results (Public)

Attachment 2: Summary of Audit Results (Nonpublic) (Redacted in its entirety)

Principal Contributor: Joel Wiebe

Date: March 3, 2011

AUDIT SUMMARY

IMPLEMENTATION OF COMMITMENTS:

<b>Commitment Letter</b>	<b>Description</b>	<b>Status</b>	<b>Reference/Comments</b>
Duke letter dated January 30, 2008 (ML080380186)	Duke will perform a cyber security risk evaluation (CSRE) on the [Oconee Nuclear Station, Units 1, 2, and 3 (ONS)] Reactor Protection System and Engineered Safeguards Protective System (RPS/ESPS) to identify possible potential security vulnerabilities as required by the Cyber Security for Digital Process Systems program. The risk evaluation will be performed in accordance with the CSRE requirement. Prior to completing the first installation of the RPS/ESPS at ONS.	Closed	The commitment is being tracked by Problem Investigation Program (PIP) O-10-01145, Action #3. The closure document is ON-1607.32-05-01 PPS, "Digital Device Risk Assessment Document," Revision 0 dated May 20, 2010. The content of this document was not audited. The first installation of the digital RPS/ESPS at Oconee has not been completed.
Same as above	Duke will ensure the operating procedures are validated as part of the design change process including the cyber security features during the risk evaluation. Prior to completing the first installation of the RPS/ESPS at ONS.	Open	The commitment is being tracked by PIP O-10-01145, Action #5 and is scheduled for April 1, 2011. The first installation of the digital RPS/ESPS at ONS has not been completed.

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Commitment Letter	Description	Status	Reference/Comments
Same as above	Duke will ensure that system-specific cyber security incident and recovery plans are provided for the RPS/ESPS at ONS RPS/ESPS. The response plan will address: <ul style="list-style-type: none"> <li>• The capability to identify, contain, and eradicate cyber security events</li> <li>• The capability to recover from the event and mitigate reoccurrence of similar events.</li> <li>• Contingencies for ensuring minimal disruption to critical services in these instances</li> </ul> prior to completing the first installation of the RPS/ESPS at ONS.	Open	The commitment is being tracked by PIP O-10-01145, Action #2 and is scheduled for March 20, 2011. The first installation has not been completed.
Duke letter dated February 29, 2008 (ML080710159)	Evaluate and Respond to NRC Conditions and Limitations on WCAP 16793-NP, Rev. 0, 90 days after receipt of final NRC Conditions and Limitations.	Open	PIP O-04-07314, Action 50 tracks this commitment. The NRC has not yet issued the referenced final Conditions and Limitations. Action 50 has a placeholder date of March 31, 2011.
Same as above	Revise SD 1.3.9 to ensure evaluation of metal scaffolding left in the Reactor Building.	Closed	This item is tracked by PIP O-04-07314 Action 45 and PIP O-07-07428 Action 1. SD 1.3.9 was reviewed and verified to contain requirements for evaluation of metal and scaffolding left in the Reactor Building.
Same as above	Update UFSAR to capture new licensing basis.	Closed	This item is tracked by PIP O-04-7314. Updated Final Safety Analysis Report Change Package 09-086 was reviewed and verified to revise the licensing basis for the Reactor Building sump.

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<b>Commitment Letter</b>	<b>Description</b>	<b>Status</b>	<b>Reference/Comments</b>
Duke letter dated March 20, 2009 (ML090830726)	The first commitment is that Duke will submit, prior to entry into Mode 6 from the ONS Unit 1 outage in the fall of 2009, a summary of the results of the stress analyses demonstrating that the letdown nozzle preemptive full structural weld overlay will not hinder the components from performing their design function.	N/A	Section 6.0 of the Relief Request makes it clear that the stress analysis would only be done if flaws were detected following the overlay. Duke letters dated November 10, 2009, May 26, 2010, and November 21, 2010, informed the NRC that no flaws were detected.
Same as above	The second commitment is that Duke will submit, within 14 days from completion of Ultrasonic Test (UT) examinations on all implemented full structural weld overlays on each unit, a report that summarizes the results of the UT examination on each overlay.	Closed	Duke letters to the NRC dated November 10, 2009, May 26, 2010, and November 21, 2010, were reviewed and verified to contain the information.
Same as above	The third commitment is that Duke will submit within 60 days of startup, the fatigue crack growth analysis associated with the Full Weld Structural Overlay (FSWOL) for the Core Flood or Reactor Coolant Pump Inlet/Outlet nozzles, only if a FSWOL is installed on any of these nozzles.	N/A	No FSWOL was installed on the affected nozzles.

A sample of commitments related to license renewal (NUREG-1723, "Safety Evaluation Report Related to the License Renewal of Oconee Nuclear Station, Units 1, 2, and 3") were also reviewed, as follows:

- Federal Energy Regulatory Commission 5-Year Inspection
- Keowee Oil Sampling Program
- Keowee Penstock Inspection
- Keowee Turbine Generator Cooling Water System Strainer Inspection
- Control Rod Drive Mechanism Nozzle and Other vessel Closure Penetrations Inspection Program
- Fluid Leakage Management (Boric Acid Corrosion Control) Program

The Problem Investigation Program (PIP O-10-01702, PIP O-10-01704, PIP O-10-01708, PIP O-10-01717, PIP O-10-09967, and PIP O-10-10028, respectively) documented a licensee implementation review of the commitments, along with identified deficiencies, if any.

The deficiencies are scheduled to be corrected by 2012. The NRC Post-approval Site Inspection for License Renewal (Inspection Procedure 71003) is expected to occur mid-2012. The first unit to transition into the extended operational license period is Unit 1 on February 6, 2013. Based on the above, the staff concludes that the commitments are being tracked, the licensee is verifying implementation of the commitments and the licensee's schedule for correction of identified implementation deficiencies appear to be scheduled prior to entry into the extended operational license period.

**Redacted in its Entirety**

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P. Gillespie

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No nonconformance with NRC requirements nor deficiencies were identified.

If you have any questions, please call me at 301-415-6606.

Sincerely,

*/RA/*

Joel S. Wiebe, Senior Project Manager  
Plant Licensing Branch II-1  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

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

Enclosure:  
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**ADAMS Accession Package No. ML110380148**

**Public Letter: ML110380043      Nonpublic Letter: ML110340023**

OFFICE	NRR/LPL2-1/PM	NRR/LPL2-1/LA	NRR/LPL2-1/PM	NRR/LPL2-1/BC	NRR/LPL2-1/PM
NAME	JWiebe	MO'Brien	JStang	GKulesa	JWiebe
DATE	2/5/11	2/23/11	3/3/11	3/3/11	3/3/11

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