



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

August 31, 2007

Duke Power Company LLC
d/b/a Duke Energy Carolinas, LLC
ATTN: Mr. Bruce H. Hamilton
Vice President
Oconee Nuclear Station
7800 Rochester Highway
Seneca, SC 29672

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

Dear Mr. Hamilton:

On August 14, 2007, the NRC staff completed its performance review of the Oconee Nuclear Station for the first half of the calendar year 2007 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.

Overall, Oconee Units 1, 2, and 3 operated in a manner that preserved public health and safety and met all cornerstone objectives with moderate degradation in safety performance. Plant performance for the first two quarters of 2007, as well as the fourth quarter of 2006, was within the Degraded Cornerstone Column of the NRC's Action Matrix. This was the result of a fourth quarter 2006 Mitigating Systems cornerstone Performance Indicator (PI) reflecting performance at a level that may require additional NRC oversight (White), in conjunction with a third quarter 2006 Mitigating Systems cornerstone finding of low to moderate safety significance (White), affecting all three units. The White Mitigating Systems cornerstone PI (Emergency AC Power System) was the result of an extended forced outage on Keowee Hydroelectric Unit 2. The third quarter 2006 White finding involved the failure to effectively control maintenance activities, and therefore assess and manage the risk, associated with breaching the standby shutdown facility (SSF) external flood protection barrier. In addition, the Degraded Cornerstone performance of Oconee Unit 3 was also reflective of the aforementioned White PI (or finding) in conjunction with a fourth quarter 2006 White Mitigating Systems finding involving the failure to implement adequate foreign material exclusion controls for the Unit 3 reactor building emergency sump. In response to the Degraded Cornerstone performance in the last three quarters of the assessment period, a supplemental inspection (inclusive of the White Mitigating Systems PI and both findings) will be performed under Inspection Procedure (IP) 95002. Satisfactory NRC completion of the IP 95002 inspection is highly dependent on adequate root cause/extent of condition reviews by your staff. We have been discussing the status of these

reviews with your staff and have revised the date for the inspection accordingly. Our current plan is to perform the IP 95002 inspection during the last week of August 2007.

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

- Unresolved Item (URI) 05000269,270,287/2006002-03, concerning excessive cycling of main steam safety valves (MSSVs) during standby shutdown facility-related events and the potential effects of a resulting stuck open MSSV.

Additionally, 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 March 31, 2009. In addition to reactor oversight process (ROP) baseline inspection activities and the IP 95002 Supplemental Inspection discussed above, the plan currently includes non-ROP inspection activities involving operator licensing examinations and your Independent Spent Fuel Storage Installation. 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).

The NRC is currently evaluating the scope and frequency of all baseline inspection procedures. If the results of the evaluation, or any other circumstances, cause us to change the inspection plan, we will contact you to discuss the change(s) as soon as possible. Please contact James H. Moorman, III at (404) 562-4647 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

William D. Travers
Regional Administrator

Docket Nos.: 50-269, 50-270, 50-287, 72-04, 72-40
License Nos.: DPR-38, DPR-47, DPR-55

Enclosure: Oconee Inspection/Activity Plan

cc w/encl: (See page 3)

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X PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE X NON-SENSITIVE

ADAMS: X Yes ACCESSION NUMBER: _____

OFFICE	RII:DRP	RII:DRP	RII:DRP	RII:ORA			
SIGNATURE	JHM /RA/						
NAME	JMoorman	RCarroll	CCasto	VMcCree			
DATE	08/29/2007		08/29/2007	08/30/2007			
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

DPC

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Letter to Bruce H. Hamilton from William D. Travers dated August 31, 2007

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NUCLEAR STATION

Distribution w/encl:

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OE Mail

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