

March 31, 2000

Duke Energy Corporation
ATTN: Mr. W. R. McCollum
Vice President
7800 Rochester Highway
Seneca, SC 29672

SUBJECT: PLANT PERFORMANCE REVIEW - OCONEE NUCLEAR STATION

Dear Mr. McCollum:

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On February 23, 2000, we completed a plant performance review (PPR) of Oconee Nuclear Station. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from February 1, 1999, through January 31, 2000, but emphasized the last six months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at Oconee was provided to you in a letter dated April 2, 1999, and was discussed with you in a public meeting on June 21, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the systematic assessment of licensee performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued process improvements as we make the transition into the revised reactor oversight process. You will notice that the following summary of plant performance is organized differently from our previous performance summaries. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last six months, full power operations on Unit 1 were interrupted by several equipment related power reductions (one in anticipation of a Technical Specification (TS) 3.0.3 shutdown which affected all three units) and a reactor trip attributed to a voltage problem on group 5 control rods. Unit 2 also encountered two common cause (faulted turbine intercept valve linear-variable differential transformer) reactor trips after returning to power operations from a refueling outage. Additionally, Unit 3 full power operations were interrupted by two common cause (letdown system divert valve failure) power reductions and a turbine runback/manual reactor trip resulting from a maintenance-induced diversion of turbine generator stator cooling water. Although some performance issues were identified during this assessment period, we note that Oconee Nuclear Station continues to operate in a safe manner. In an effort to ensure that these issues are addressed, additional inspection resources will be allocated in certain areas as noted in this letter and the attached inspection plan.

In the reactor safety strategic performance area, four Unit 2 reactor trips over the last four quarters resulted in a white performance indicator (PI). The cause for several of these reactor trips was electrical component failures. Other than emergency feedwater-related issues for which enforcement action is pending, our assessment did not identify any other significant performance issues in this strategic area. Consequently, except for addressing the white PI by performing a supplemental inspection of your associated corrective actions, only baseline inspections are planned in response to your performance. Included in our inspection plans will be an inspection of the emergency operating procedures previously scheduled for April 2000. In addition, we plan to conduct inspections to review activities associated with your Independent Spent Fuel Storage Installation (ISFSI). In the reactor safety strategic performance area, there was also a white PI for Unit 3 high pressure injection unavailability. Since this was the result of the 1997 loss of high pressure injection suction event that already underwent enforcement and corrective action followup, no supplemental inspection is warranted (Enforcement Action (EA) 97-298).

We did not identify any significant performance issues in our assessment of the radiation safety or safeguards strategic performance areas. As a result, only baseline inspections are planned in response to your performance this period. Included in our inspection plans will be an ISFSI-related inspection of radiation controls and the performance of an Operational Safeguards Response Evaluation (OSRE). An OSRE was scheduled based on the amount of time since the last OSRE and your past performance in this area. We will continue with the OSRE inspections until the industry proposed Self Assessment Program (SAP) is approved by the NRC staff as an acceptable substitute for the OSRE inspections.

Enclosure 1 contains a historical listing of plant issues, referred to as the plant issues matrix (PIM), that were used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support. Future PIMs will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence regarding Oconee. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will

make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at Oconee to allow you to resolve scheduling conflicts and personnel availability in advance of our inspectors' arrival onsite. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at Oconee or other nuclear facilities. We also included some NRC non-inspection activities in Enclosure 2 for your information. Routine resident inspections are not listed due to their ongoing and continuous nature.

We will inform you of any changes to the inspection plan. If you have any questions, please contact me at (404) 562-4510.

Sincerely,

/RA/

Charles R. Ogle, Chief
Reactor Projects Branch 1
Division of Reactor Projects

Docket Nos. 50-269, 50-270, 50-287, 72-04
License Nos. DPR-38, DPR-47, DPR-55, SNM-2503

Enclosures: 1. Plant Issues Matrix
2. Inspection Plan

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