



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

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ML#060610661/Enclosure

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).

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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

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Oconee
Inspection / Activity Plan
03/01/2006 - 09/30/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	EB1-CDB	- COMPONENT DESIGN BASES INSPECTION	6			
1, 2, 3	IP 7111121	Component Design Bases Inspection		02/27/2006	03/03/2006	Baseline Inspections
1, 2, 3	IP 7111121	Component Design Bases Inspection		03/13/2006	03/17/2006	Baseline Inspections
	EB3-ISI	- U3 INSERVICE INSPECTION	1			
3	IP 7111108P	Inservice Inspection Activities - PWR		05/08/2006	05/12/2006	Baseline Inspections
	EB1-SUMP	- PWR CONTAINMENT SUMP BLOCKAGE TI (U-3)	4			
3	IP 71111	Reactor Safety-Initiating Events, Mitigating Systems, Barrier Integrity		05/14/2006	05/19/2006	Baseline Inspections
	EB3SGISI	- U3 STEAM GENERATOR ISI	1			
3	IP 7111108P	Inservice Inspection Activities - PWR		05/15/2006	05/19/2006	Baseline Inspections
1, 2, 3	IP 71152	Identification and Resolution of Problems		05/15/2006	05/19/2006	Baseline Inspections
	PSB1-RP	- RP PRE-INSPECTION AND ISFSI	1			
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		05/30/2006	05/31/2006	Baseline Inspections
	OL PREP	- INITIAL EXAM PREP	3			
1	V23254	OCONEE/JUNE 2006 EXAM AT POWER FACILITIES		05/30/2006	06/02/2006	Not Applicable
	PSB1-RP	- RP PUBLIC BASELINE INSP	4			
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		06/19/2006	06/23/2006	Baseline Inspections
1, 2, 3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/19/2006	06/23/2006	Baseline Inspections
1, 2, 3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/19/2006	06/23/2006	Baseline Inspections
1, 2, 3	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		06/19/2006	06/23/2006	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		06/19/2006	06/23/2006	Baseline Inspections
	OL EXAM	- INITIAL EXAM	3			
1	V23254	OCONEE/JUNE 2006 EXAM AT POWER FACILITIES		06/19/2006	06/30/2006	Not Applicable
	ISFSI-O	- 60855.1 - OPERATION OF AN ISFSI	1			
1	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		07/03/2006	07/07/2006	Other Routine
	PI&R	- PI&R INSPECTION: 50.59 FOLLOW-UP	1			
1, 2, 3	IP 71152B	Identification and Resolution of Problems		07/17/2006	07/19/2006	Baseline Inspections
	PS2-EP	- EP EXERCISE	3			
1, 2, 3	IP 7111401	Exercise Evaluation		07/17/2006	07/21/2006	Baseline Inspections
1, 2, 3	IP 7111404	Emergency Action Level and Emergency Plan Changes		07/17/2006	07/21/2006	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		07/17/2006	07/21/2006	Baseline Inspections
	EB3-HS	- HEAT SINK	2			
1, 2, 3	IP 7111107B	Heat Sink Performance		07/24/2006	07/28/2006	Baseline Inspections
	EB1-MODS	- MODIFICATIONS/10CFR50.59	3			
1, 2, 3	IP 7111102	Evaluation of Changes, Tests, or Experiments		10/02/2006	10/06/2006	Baseline Inspections
1, 2, 3	IP 7111117B	Permanent Plant Modifications		10/02/2006	10/06/2006	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Enclosure

Oconee
Inspection / Activity Plan
03/01/2006 - 09/30/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	EB3-ISI - U1 INSERVICE INSPECTION		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		10/16/2006	10/20/2006	Baseline Inspections
	EB3SGISI - U1 STEAM GENERATOR ISI		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		10/23/2006	10/27/2006	Baseline Inspections
	EB1-SUMP - PWR CONTAINMENT SUMP BLOCKAGE TI (U-1)		1			
1	IP 71111	Reactor Safety-Initiating Events, Mitigating Systems, Barrier Integrity		11/19/2006	11/24/2006	Baseline Inspections
	PSB1-RP - RP PRE-INSP VISIT/ISFSI		1			
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		03/19/2007	03/21/2007	Baseline Inspections
	OL RQ - REQUAL INSPECTION		2			
1, 2, 3	IP 7111111B	Licensed Operator Requalification Program		03/26/2007	03/30/2007	Baseline Inspections
	PSB1-RP - RP OCCUPATIONAL BASELINE INSP WK1		3			
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		04/16/2007	04/20/2007	Baseline Inspections
1, 2, 3	IP 7112102	ALARA Planning and Controls		04/16/2007	04/20/2007	Baseline Inspections
1, 2, 3	IP 7112202	Radioactive Material Processing and Transportation		04/16/2007	04/20/2007	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		04/16/2007	04/20/2007	Baseline Inspections
	EB3-ISI - U2 INSERVICE INSPECTION		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		04/23/2007	04/27/2007	Baseline Inspections
	EB3SGISI - U2 STEAM GENERATOR ISI		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		04/30/2007	05/04/2007	Baseline Inspections
	EB1-SUMP - PWR CONTAINMENT SUMP BLOCKAGE TI (U-2)		1			
2	IP 71111	Reactor Safety-Initiating Events, Mitigating Systems, Barrier Integrity		05/06/2007	05/11/2007	Baseline Inspections
	PSB1-RP - RP OCCUPATIONAL BASELINE INSP WK2		2			
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		05/07/2007	05/11/2007	Baseline Inspections
1, 2, 3	IP 7112102	ALARA Planning and Controls		05/07/2007	05/11/2007	Baseline Inspections
1, 2, 3	IP 7112202	Radioactive Material Processing and Transportation		05/07/2007	05/11/2007	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		05/07/2007	05/11/2007	Baseline Inspections
	PB1-PI&R - BIENNIAL PI&R INSPECTION		5			
1, 2, 3	IP 71152B	Identification and Resolution of Problems		07/09/2007	07/13/2007	Baseline Inspections
1, 2, 3	IP 71152B	Identification and Resolution of Problems		07/23/2007	07/27/2007	Baseline Inspections
	OL PREP - INITIAL EXAM PREP		3			
1	V23244	OCONEE/EXAM AT POWER FACILITIES		07/30/2007	08/03/2007	Not Applicable
	PS2-EP - EP INSP		1			
1, 2, 3	IP 7111402	Alert and Notification System Testing		08/06/2007	08/10/2007	Baseline Inspections
1, 2, 3	IP 7111403	Emergency Response Organization Augmentation Testing		08/06/2007	08/10/2007	Baseline Inspections
1, 2, 3	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/06/2007	08/10/2007	Baseline Inspections

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	PS2-EP - EP INSP		1			
1, 2, 3	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		08/06/2007	08/10/2007	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		08/06/2007	08/10/2007	Baseline Inspections
	OL EXAM - INITIAL EXAM		3			
1	V23244	OCONEE/EXAM AT POWER FACILITIES		08/20/2007	08/31/2007	Not Applicable