



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

March 4, 2009

Mr. David A. Baxter
Site Vice President
Duke Power Company, LLC
d/b/a Duke Energy Carolinas, LLC
Oconee Nuclear Station
7800 Rochester Highway
Seneca, SC 29672

**SUBJECT: ANNUAL ASSESSMENT LETTER - OCONEE NUCLEAR STATION
(NRC INSPECTION REPORT 05000269/2009001, 05000270/2009001,
AND 05000287/2009001)**

Dear Mr. Baxter:

On February 10, 2009, the NRC staff completed its performance review of the 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, 2008. 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 security information. A separate letter designated and marked as "Official Use Only – Security Related Information" will include the Security Cornerstone performance 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 of the assessment cycle, for Units 2 and 3, was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Plant performance for the most recent quarter, for Unit 1, was within the Regulatory Response Column of the NRC's Action Matrix. This was the result of a fourth quarter 2008 Initiating Events Cornerstone finding of low to moderate safety significance (White). The fourth quarter White finding involved a failure to implement an adequate automatic voltage regulator (AVR) maintenance procedure, which resulted in a loss of reactor coolant system inventory while on decay heat removal. As a result of the Regulatory Response performance during the fourth quarter of the assessment period, a supplemental inspection will be performed under Inspection Procedure (IP) 95001.

Plant performance for Oconee Units 1, 2, and 3 during the first three quarters of the assessment cycle was within the Licensee Response Column of the NRC's Action Matrix, based on the associated inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green).

We currently plan to perform the aforementioned supplemental inspection in the Summer 2009 time frame. In addition to the supplemental inspection and reactor oversight process (ROP) baseline inspection activities, we also plan on conducting several non-ROP inspections, which involve: (1) operator licensing examinations; (2) review of the implementation of the industry groundwater protection voluntary initiative (Temporary Instruction (TI)-2515/173); (3) emergency response organization drill/exercise performance indicator program review (TI-2515/175); (4) reactor coolant system dissimilar metal butt welds (TI-2515/172); and (5) the Independent Spent Fuel Storage Installation. Additionally, the staff will continue its review of issues associated with fire, external flooding, tornado, and high energy line break mitigation.

The enclosed inspection plan details the inspections, less those related to security, scheduled through June 30, 2010. 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 nine months of the inspection plan are tentative and may be revised at the mid-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).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Jonathan Bartley at (404) 562-4607 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Leonard D. Wert, Jr., Director
Division of Reactor Projects

Docket Nos.: 50-269, 50-270, 50-287, 72-004, 72-040
License Nos.: DPR-38, DPR-47, DPR-55

Enclosure: Oconee Inspection/Activity Plan

cc w/encl: (See page 3)

cc w/encls:

Berry G. Davenport
Compliance Manager
Oconee Nuclear Station
Duke Power Company, LLC d/b/a Duke
Energy Carolinas, LLC
Electronic Mail Distribution

Philip J. Culbertson
Oconee Nuclear Station
Duke Power Company, LLC d/b/a Duke
Energy Carolinas, LLC
Electronic Mail Distribution

Preston Gillespie
Manager
Oconee Nuclear Station
Duke Power Company, LLC d/b/a Duke
Energy Carolinas, LLC
Electronic Mail Distribution

Scott L. Batson
Engineering Manager
Oconee Nuclear Station
Duke Power Company, LLC d/b/a Duke
Energy Carolinas, LLC
Electronic Mail Distribution

Lisa F. Vaughn
Associate General Counsel
Duke Energy Corporation
526 South Church Street-EC07H
Charlotte, NC 28202

Kathryn B. Nolan
Senior Counsel
Duke Energy Corporation
526 South Church Street-EC07H
Charlotte, NC 28202

David A. Repka
Winston Strawn LLP
Electronic Mail Distribution

Beverly O. Hall
Chief, Radiation Protection Section
Department of Environmental Health
N.C. Department of Environmental
Commerce & Natural Resources
Electronic Mail Distribution

Susan E. Jenkins
Director, Division of Waste Management
Bureau of Land and Waste Management
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

R. L. Gill, Jr.
Manager
Nuclear Regulatory Issues & Industry Affairs
Duke Power Company, LLC d/b/a Duke
Energy Carolinas, LLC
Electronic Mail Distribution

Charles Brinkman
Director
Washington Operations
Westinghouse Electric Company
Electronic Mail Distribution

Dhiaa M. Jamil
Group Executive and Chief Nuclear Officer
Duke Energy Carolinas, LLC
Electronic Mail Distribution

Senior Resident Inspector
Oconee Nuclear Station
U.S. Nuclear Regulatory Commission
7812B Rochester Hwy
Seneca, SC 29672

Oconee

Inspection / Activity Plan

03/01/2009 - 06/30/2010

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			ISFSI - ISFSI ROUTING LOADING		4
1, 2, 3	01/01/2009	03/30/2009	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
			OL EXAM - INITIAL EXAM WEEK 1		4
1	03/02/2009	03/06/2009	V23301	OCONEE/MARCH 2009 EXAM AT POWER FACILITIES	
			PSB1-RP - RP GROUND WATER PROTECTION		1
1, 2, 3	03/09/2009	03/12/2009	IP 2515/173	Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative	
1, 2, 3	03/09/2009	03/12/2009	IP 7112101	Access Control to Radiologically Significant Areas	
			OL EXAM - INITIAL EXAM WEEK 2		4
1	03/09/2009	03/13/2009	V23301	OCONEE/MARCH 2009 EXAM AT POWER FACILITIES	
			OL RQ - REQUAL INSPECTION		3
1, 2, 3	03/16/2009	03/20/2009	IP 7111111B	Licensed Operator Requalification Program	
			PSB1EP - EMERGENCY PREPAREDNESS INSPECTION		1
1, 2, 3	03/30/2009	04/03/2009	IP 2515/175	Emergency Response Organization, Drill/Exercise Performance Indicator, Program Review	
1, 2, 3	03/30/2009	04/03/2009	IP 7111402	Alert and Notification System Testing	
1, 2, 3	03/30/2009	04/03/2009	IP 7111403	Emergency Response Organization Augmentation Testing	
1, 2, 3	03/30/2009	04/03/2009	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2, 3	03/30/2009	04/03/2009	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
1, 2, 3	03/30/2009	04/03/2009	IP 71151	Performance Indicator Verification	
			EB3ISI - UNIT 3 INSERVICE INSPECTION		1
3	05/04/2009	05/08/2009	IP 7111108P	Inservice Inspection Activities - PWR	
			EB3TI172 - TI-172 RCS DM BUTT WELD		1
3	05/04/2009	05/08/2009	IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds	
			EB3SGISI - UNIT 3 STEAM GENERATOR INSERVICE INSP		4
3	05/11/2009	05/15/2009	IP 7111108P	Inservice Inspection Activities - PWR	
			ISFSI - ISFSI OPERATIONAL INSPECTION		2
1, 2, 3	06/01/2009	09/15/2009	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
			PI&R - PROBLEM IDENTIFICATION AND RESOLUTION		6
1	08/10/2009	08/14/2009	IP 71152B	Identification and Resolution of Problems	
1	08/24/2009	08/28/2009	IP 71152B	Identification and Resolution of Problems	
			PSB1-RP - RADIATION PROTECTION OCCUPATIONAL WK1		2
1, 2, 3	10/12/2009	10/16/2009	IP 7112101	Access Control to Radiologically Significant Areas	
1, 2, 3	10/12/2009	10/16/2009	IP 7112102	ALARA Planning and Controls	
1, 2, 3	10/12/2009	10/16/2009	IP 7112202	Radioactive Material Processing and Transportation	
1, 2, 3	10/12/2009	10/16/2009	IP 71151	Performance Indicator Verification	

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

Enclosure

Oconee

Inspection / Activity Plan

03/01/2009 - 06/30/2010

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			EB3ISI - UNIT 1 INSERVICE INSPECTION		1
1	10/19/2009	10/23/2009	IP 7111108P	Inservice Inspection Activities - PWR	
			EB3TI172 - TI-172 RCS DM BUTT WELD		1
1	10/19/2009	10/23/2009	IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds	
			EB3SGISI - UNIT 1 STEAM GENERATOR INSERVICE INSP		1
1	10/26/2009	10/30/2009	IP 7111108P	Inservice Inspection Activities - PWR	
			PSB1-RP - RADIATION PROTECTION OCCUPATIONAL WK2		2
1, 2, 3	10/26/2009	10/30/2009	IP 7112101	Access Control to Radiologically Significant Areas	
1, 2, 3	10/26/2009	10/30/2009	IP 7112102	ALARA Planning and Controls	
1, 2, 3	10/26/2009	10/30/2009	IP 7112202	Radioactive Material Processing and Transportation	
			ISFSI - ISFSI OPERATIONAL INSPECTION		2
1, 2, 3	12/01/2009	12/31/2009	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
			OL EXAM - INITIAL EXAM PREP		3
1	03/08/2010	03/12/2010	V23286	OCONEE/MARCH 2010 EXAM AT POWER FACILITIES	
			OL EXAM - INITIAL EXAM WEEK		3
1	03/29/2010	04/02/2010	V23286	OCONEE/MARCH 2010 EXAM AT POWER FACILITIES	
			EB3ISI - UNIT 2 INSERVICE INSPECTION		1
2	04/26/2010	04/30/2010	IP 7111108P	Inservice Inspection Activities - PWR	

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

Enclosure

07200040 - DUKE ENERGY NU

Inspection / Activity Plan

03/01/2009 - 06/30/2010

Unit Number	Planned Dates Start End	Inspection Activity	Title	No. of Staff on Site
1	01/19/2009 08/31/2009	ISFSI - ISFSI OPERATIONAL INSPECTION	IP 60855 Operation Of An ISFSI	2

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

Enclosure