



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

March 2, 2005

Duke Energy Corporation
ATTN: Mr. R. A. Jones
Site Vice President
Oconee Nuclear Station
7800 Rochester Highway
Seneca, SC 29672

SUBJECT: ANNUAL ASSESSMENT LETTER - OCONEE NUCLEAR STATION
(NRC INSPECTION REPORT 05000269/2005001, 05000270/2005001,
AND 05000287/2005001)

Dear Mr. Jones:

On February 8, 2005, the NRC staff completed its end-of-cycle plant performance assessment of the Oconee Nuclear Station. The end-of-cycle review for Oconee involved the participation of all technical divisions in evaluating performance indicators for the most recent quarter and inspection results for the period from January 1 through December 31, 2004. 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 will allow you an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities. The following performance review and the enclosed inspection plan do not include physical protection information. A separate end-of-cycle performance review 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.

During the assessment period, 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. This moderate degradation was reflective of third quarter plant performance within the Degraded Cornerstone Column of the NRC's Action Matrix, which resulted from two Mitigating Systems cornerstone findings of low to moderate safety significance (White). The first of these, which was also the reason fourth quarter performance was within the Regulatory Response Column, was a third quarter 2004 White finding involving a failure to maintain the licensing basis commitment for staffing the standby shutdown facility (SSF) in the event of a confirmed plant fire. The other was a third quarter 2003 White finding involving inadequate corrective actions to address pressurizer ambient heat losses that exceeded the capacity of the pressurizer heaters powered from the SSF. This White SSF pressurizer heater finding also caused plant performance during the first and second quarters of the assessment period to be within the Regulatory Response Column of the NRC's Action Matrix.

In response to the Degraded Cornerstone performance in the third quarter of the assessment period, a supplemental inspection will be performed under Inspection Procedure 95002. We plan to perform this 95002 supplemental inspection in the May 2005 time frame. The satisfactory completion of this 95002 supplemental inspection is highly dependent on your

staff's efforts to assure adequate root cause/extent of condition reviews have been performed.

It should be noted that during the assessment period, Oconee Nuclear Station received a Severity Level III violation (with a \$60,000 civil penalty) for the failure to obtain NRC approval prior to making a change to the facility which involved unreviewed safety questions. The corrective actions for this Severity Level III violation, which was associated with the high energy line break analysis, will be reviewed during a future baseline inspection. Our end-of-cycle performance assessment also included an assessment of issues that are still under staff review to determine their safety significance. Although we recognize that you have assessed any operability concerns associated with the following issues, the results of our Significance Determination Process may warrant additional supplemental inspection for issues that are of greater than very low risk significance.

- Unresolved Item (URI) 050000269/2004003-01 (Inadequate Unit 1 Reactor Coolant Pump Seal Modification)
- URI 05000269,270,287/2004002-04 (Potential Failure to Maintain RB Coatings per GL 98-04 Commitments, Resulting in Potential Loss of RBES Recirculation)
- URI 05000287/2004003-02 and URI 05000287/2002007-02 (Unit 3 Control Room Wall not Tornado Protected)

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, 2006. In addition to baseline inspection activities and the 95002 Supplemental Inspection discussed above, the plan currently includes: (1) operator licensing examinations; (2) routine inspections of activities associated with your Independent Spent Fuel Storage Installation; and (3) safety issue inspections concerning pressurizer penetration nozzles and steam space piping connections (NRC Bulletin 2004-01). The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of the inspectors 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).

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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//

William D. Travers
Regional Administrator

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
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	OL RQ - REQUAL INSPECTION		3			
1, 2, 3	IP 7111111B	Licensed Operator Requalification Program		03/28/2005	04/01/2005	Baseline Inspections
	MTN-ISI - U1 INSERVICE INSPECTION		2			
1	IP 7111108P	Inservice Inspection Activities - PWR		04/18/2005	04/22/2005	Baseline Inspections
	MTNSGISI - STEAM GENERATOR ISI		2			
1	IP 7111108P	Inservice Inspection Activities - PWR		04/18/2005	04/22/2005	Baseline Inspections
	MTNT1160 - 2515/160 U-1: PZR PENETRATION NOZZLES		1			
1	IP 2515/160	Pzr Pene Nozzles & Stm Space Piping Connections in U.S. PWRs [NRC Bulletin 2004-01]		04/18/2005	04/22/2005	Safety Issues
	95002 - SUPPLEMENTAL INSPECTION INFO TRIP		3			
1, 2, 3	IP 95002	Inspection For One Degraded Cornerstone Or Any Three White Inputs In A Strategic Perform		05/02/2005	05/06/2005	Supplemental Progra
	EB2-TFP - TFP PRE-INSPECTION VISIT		3			
1, 2, 3	IP 7111105T	Fire Protection		05/16/2005	05/20/2005	Baseline Inspections
	PS EP - EP INSPECTION		1			
1, 2, 3	IP 7111402	Alert and Notification System Testing		05/16/2005	05/20/2005	Baseline Inspections
1, 2, 3	IP 7111403	Emergency Response Organization Augmentation Testing		05/16/2005	05/20/2005	Baseline Inspections
1, 2, 3	IP 7111404	Emergency Action Level and Emergency Plan Changes		05/16/2005	05/20/2005	Baseline Inspections
1, 2, 3	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		05/16/2005	05/20/2005	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		05/16/2005	05/20/2005	Baseline Inspections
	95002 - SUPPLEMENTAL INSPECTION		3			
1, 2, 3	IP 95002	Inspection For One Degraded Cornerstone Or Any Three White Inputs In A Strategic Perform		05/23/2005	05/27/2005	Supplemental Progra
	OL PREP - INITIAL EXAM PREP		2			
1	V23216	OCONEE/EXAMS AT POWER FACILITIES		06/06/2005	06/10/2005	Not Applicable
	EB2-TFP - TRIENNIAL FIRE PROTECTION INSPECTION		3			
1, 2, 3	IP 7111105T	Fire Protection		06/06/2005	06/10/2005	Baseline Inspections
1, 2, 3	IP 7111105T	Fire Protection		06/20/2005	06/24/2005	Baseline Inspections
	PI&R - PI&R INSPECTION		4			
1, 2, 3	IP 71152B	Identification and Resolution of Problems		06/13/2005	06/17/2005	Baseline Inspections
1, 2, 3	IP 71152B	Identification and Resolution of Problems		06/27/2005	07/01/2005	Baseline Inspections
	OL EXAM - INITIAL EXAM		3			
1	V23216	OCONEE/EXAMS AT POWER FACILITIES		06/20/2005	07/01/2005	Not Applicable
	PB1ISFSI - ISFSI OPERATIONS INSPECTION		1			
1, 2, 3	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		07/11/2005	07/15/2005	Other Routine
	PS-RP - RP OCCUPATIONAL BASELINE WK-1		2			
1, 2, 3	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		10/23/2005	10/27/2005	Other Routine
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		10/23/2005	10/27/2005	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
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	PS-RP - RP OCCUPATIONAL BASELINE WK-1		2			
1, 2, 3	IP 7112102	ALARA Planning and Controls		10/23/2005	10/27/2005	Baseline Inspections
1, 2, 3	IP 7112202	Radioactive Material Processing and Transportation		10/23/2005	10/27/2005	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/23/2005	10/27/2005	Baseline Inspections
	MTN-ISI - U2 INSERVICE INSPECTION		2			
2	IP 7111108P	Inservice Inspection Activities - PWR		10/31/2005	11/04/2005	Baseline Inspections
	MTNT1160 - 2515/160 U-2: PZR PENETRATION NOZZLES		1			
2	IP 2515/160	Pzr Pene Nozzles & Strm Space Piping Connections in U.S. PWRs [NRC Bulletin 2004-01]		10/31/2005	11/04/2005	Safety Issues
	MTNSGISI - STEAM GENERATOR ISI		2			
2	IP 7111108P	Inservice Inspection Activities - PWR		11/07/2005	11/11/2005	Baseline Inspections
	PS-RP - RP OCCUPATIONAL BASELINE WK-2		3			
1, 2, 3	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		11/07/2005	11/11/2005	Other Routine
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		11/07/2005	11/11/2005	Baseline Inspections
1, 2, 3	IP 7112102	ALARA Planning and Controls		11/07/2005	11/11/2005	Baseline Inspections
1, 2, 3	IP 7112202	Radioactive Material Processing and Transportation		11/07/2005	11/11/2005	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		11/07/2005	11/11/2005	Baseline Inspections
	EB1SSDPC - SSDPC PRE-INSPECTION VISIT		1			
1, 2, 3	IP 7111121	Safety System Design and Performance Capability		02/13/2006	02/17/2006	Baseline Inspections
	EB1SSDPC - SAFETY SYSTEM DESIGN & PERF. CAPABILITY		6			
1, 2, 3	IP 7111121	Safety System Design and Performance Capability		03/06/2006	03/10/2006	Baseline Inspections
1, 2, 3	IP 7111121	Safety System Design and Performance Capability		03/20/2006	03/24/2006	Baseline Inspections
	MTN-ISI - U3 INSERVICE INSPECTION		1			
3	IP 7111108P	Inservice Inspection Activities - PWR		05/08/2006	05/12/2006	Baseline Inspections
	MTNSGISI - U3 STEAM GENERATOR ISI		1			
3	IP 7111108P	Inservice Inspection Activities - PWR		05/15/2006	05/19/2006	Baseline Inspections
	OL PREP - INITIAL EXAM PREP		3			
1	V23216	OCONEE/EXAMS AT POWER FACILITIES		05/22/2006	05/26/2006	Not Applicable
	PS1-RP - RP BASELINE PUBLIC		3			
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 71151	Performance Indicator Verification		06/19/2006	06/23/2006	Baseline Inspections
	OL EXAM - INITIAL EXAM		3			
1	V23216	OCONEE/EXAMS AT POWER FACILITIES		06/19/2006	06/30/2006	Not Applicable

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Oconee
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Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
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
MTN-HS - HEAT SINK			1			
1, 2, 3	IP 7111107B	Heat Sink Performance		07/24/2006	07/28/2006	Baseline Inspections