



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
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ATLANTA, GEORGIA 30303-8931**

August 30, 2004

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

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

Dear Mr. Jones:

On August 3, 2004, the NRC staff completed its mid-cycle plant performance assessment of the Oconee Nuclear Station. The mid-cycle review for Oconee involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2004 assessment cycle. The process included a review of 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 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. This performance review and the enclosed inspection plan do not include physical protection information. A separate mid-cycle performance review letter, designated and marked as "Proprietary Information in accordance with 10 CFR 2.390(d)(1)," will include the physical protection review results and corresponding inspection plan.

Plant performance for Units 1, 2 and 3 for the most recent quarter was within the Regulatory Response Column of the NRC's Action Matrix due to a third quarter 2003 Mitigating Systems cornerstone finding of low to moderate safety significance (White) involving inadequate corrective actions to address a condition adverse to quality. The condition involved pressurizer ambient heat losses in all three Units that exceeded the capacity of heaters powered from the standby shutdown facility (SSF). The supplemental inspection required by the NRC's Action Matrix was conducted the week of August 9, 2004.

For your information, the following issues are still under staff review as part of the Significance Determination Process and may warrant additional supplemental inspection if they are determined to be of greater than very low risk significance.

- Licensee Event Report (LER) 50-269/02-03, Unresolved Item (URI) 50-269/02-02-03, and LER 50-287/01-03 (Reactor Pressure Boundary Leakage from Reactor Pressure Vessel Nozzle Penetrations During Operation)

- URI 50-269,270,287/02-05-05 (Improper Installation of Feedwater Line Whip-restraints)
- URI 050000269/2004003-01 (Inadequate Unit 1 Reactor Coolant Pump Seal Modification)
- URI 050000269,270,287/2004002-04 (Potential Failure to Maintain RB Coatings per GL 98-04 Commitments, Resulting in Potential Loss of RBES Recirculation)
- AV 050000269,270,287/2004012-01 (Failure to Maintain License Basis Commitment for Staffing the SSF in the Event of a Confirmed Plant Fire)

Additionally, on April 8, 2004, Oconee was assessed a \$60,000 civil penalty for violation of 10 CFR 50.59 requirements. Oconee revised a high energy line break (HELB) analysis in May 2001 without first obtaining NRC review and approval. The revised analysis postponed the initiation time of required safety systems (i.e., emergency feedwater and high pressure injection), for which the NRC determined that Oconee's review of the UFSAR changes did not adequately consider the impact to plant safety. A followup inspection of your corrective actions for this violation will be performed as part of baseline inspection program for identification and resolution of problems.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2006. In addition to baseline inspection activities, the plan currently includes: (1) special inspection associated with steam generator replacement; (2) operator licensing examinations; (3) routine inspections of activities associated with your Independent Spent Fuel Storage Installation; and (4) safety issue inspections concerning the reactor pressure vessel lower head penetration nozzles (NRC Bulletin 2003-02). Also during the Fall 2004 refueling outage, an inspection of your response to NRC Bulletin 2004-01: Inspection of Alloy 82/182/600 Materials Used in the Fabrication of Pressurizer Penetrations and Steam Space Piping Connections at Pressurized-Water Reactors, will be conducted using a Temporary Instruction. The Temporary Instruction is currently in draft form. 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 inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last twelve months of the inspection plan is tentative and may be revised at the end-of-cycle review.

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 Robert Haag at (404)562-4550 with any questions you may have regarding this letter or the inspection plan.

Sincerely

/RA/

Victor M. McCree, Director
Division of Reactor Projects

Docket Nos. 50-269, 50-270, 50-287
License Nos. DPR-38, DPR-47, DPR-55

Enclosure: Oconee Inspection/ Activity Plan

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Oconee
Inspection / Activity Plan
09/01/2004 - 03/31/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	EB1SSDPC - SAFETY SYSTEM DESIGN & PERF. CAPABILITY		5			
1, 2, 3	IP 7111121	Safety System Design and Performance Capability		08/30/2004	09/03/2004	Baseline Inspections
	PIR F/U - PI&R FOLLOWUP		2			
1, 2, 3	IP 71152	Identification and Resolution of Problems		09/13/2004	09/17/2004	Baseline Inspections
	PS-RP - RP PUBLIC BASELINE & ISFSI		3			
1, 2, 3	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		09/20/2004	09/24/2004	Other Routine
1, 2, 3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/20/2004	09/24/2004	Baseline Inspections
1, 2, 3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		09/20/2004	09/24/2004	Baseline Inspections
1, 2, 3	IP 7112203	Radiological Environmental Monitoring Program		09/20/2004	09/24/2004	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		09/20/2004	09/24/2004	Baseline Inspections
	EB2 - FOLLOWUP ON 10CFR50.59 CORRECTIVE ACTION		2			
1, 2, 3	IP 71152	Identification and Resolution of Problems		10/12/2004	10/16/2004	Baseline Inspections
	EB2-SGRP - STEAM GENERATOR REPLACEMENT		3			
3	IP 50001	Steam Generator Replacement Inspection		11/15/2004	11/19/2004	Other Routine
3	IP 50001	Steam Generator Replacement Inspection		12/06/2004	12/10/2004	Other Routine
3	IP 50001	Steam Generator Replacement Inspection		12/13/2004	12/17/2004	Other Routine
	EB2-ISI - INSERVICE INSPECTION-U3		1			
3	IP 7111108P	Inservice Inspection Activities - PWR		11/22/2004	11/26/2004	Baseline Inspections
	EB2-SGRP - CONTAINMENT WELDING REPAIR		1			
3	IP 50001	Steam Generator Replacement Inspection		12/06/2004	12/10/2004	Other Routine
	PS-RP - RADIATION PROTECTION - SGR		1			
3	IP 50001	Steam Generator Replacement Inspection		12/06/2004	12/10/2004	Other Routine
	EB2SGRP - CONTAINMENT REPAIR		1			
3	IP 50001	Steam Generator Replacement Inspection		12/13/2004	12/17/2004	Other Routine
	2515/152 - U-3 2515/152: RPV LOWER HEAD PENETRATION		1			
3	IP 2515/152	Reactor Pressure Vessel Lower Head Penetration Nozzles (NRC Bulletin 2003-02)		12/15/2004	12/22/2004	Safety Issues
	EB2-MR - MAINTENANCE RULE		2			
1, 2, 3	IP 7111112B	Maintenance Effectiveness		01/03/2005	01/07/2005	Baseline Inspections
	EB2-MODS - MODIFICATIONS/10CFR50.59		4			
1, 2, 3	IP 7111102	Evaluation of Changes, Tests, or Experiments		02/14/2005	02/18/2005	Baseline Inspections
1, 2, 3	IP 7111117B	Permanent Plant Modifications		02/14/2005	02/18/2005	Baseline Inspections
	OL RQ - REQUAL INSPECTION		2			
1, 2, 3	IP 7111111B	Licensed Operator Requalification Program		03/21/2005	03/25/2005	Baseline Inspections
	EB2-ISI - INSERVICE INSPECTION-U1		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		04/18/2005	04/22/2005	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
09/01/2004 - 03/31/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	EB2SGISI - STEAM GENERATOR ISI		2			
1	IP 7111108P	Inservice Inspection Activities - PWR		04/18/2005	04/22/2005	Baseline Inspections
	71152B - PI&R INSPECTION		4			
1, 2, 3	IP 71152B	Identification and Resolution of Problems		05/09/2005	05/13/2005	Baseline Inspections
1, 2, 3	IP 71152B	Identification and Resolution of Problems		05/23/2005	05/27/2005	Baseline Inspections
	EB1-TFP - TFP PRE-INSPECTION VISIT		5			
1, 2, 3	IP 7111105T	Fire Protection		05/16/2005	05/20/2005	Baseline Inspections
	OL PREP - INITIAL EXAM PREP		2			
1	V23216	OCONEE/EXAMS AT POWER FACILITIES		06/06/2005	06/10/2005	Not Applicable
	EB1-TFP - TRIENNIAL FIRE PROTECTION INSPECTION		4			
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
	OL EXAM - INITIAL EXAM		3			
1	V23216	OCONEE/EXAMS AT POWER FACILITIES		06/20/2005	07/01/2005	Not Applicable
	60855.1 - 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
	EB2-ISI - INSERVICE INSPECTION-U2		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		10/31/2005	11/04/2005	Baseline Inspections
	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		10/31/2005	11/04/2005	Other Routine
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		10/31/2005	11/04/2005	Baseline Inspections
1, 2, 3	IP 7112102	ALARA Planning and Controls		10/31/2005	11/04/2005	Baseline Inspections
1, 2, 3	IP 7112202	Radioactive Material Processing and Transportation		10/31/2005	11/04/2005	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/31/2005	11/04/2005	Baseline Inspections
	EB2SGISI - STEAM GENERATOR ISI		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		11/14/2005	11/18/2005	Baseline Inspections
	PS-RP - RP OCCUPATIONAL BASELINE WK-2		2			
1, 2, 3	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		11/14/2005	11/18/2005	Other Routine
1, 2, 3	IP 7112101	Access Control to Radiologically Significant Areas		11/14/2005	11/18/2005	Baseline Inspections
1, 2, 3	IP 7112102	ALARA Planning and Controls		11/14/2005	11/18/2005	Baseline Inspections
1, 2, 3	IP 7112202	Radioactive Material Processing and Transportation		11/14/2005	11/18/2005	Baseline Inspections
1, 2, 3	IP 71151	Performance Indicator Verification		11/14/2005	11/18/2005	Baseline Inspections
	EB2-HS - HEAT SINK		1			
1, 2, 3	IP 7111107B	Heat Sink Performance		01/30/2006	02/03/2006	Baseline Inspections

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09/01/2004 - 03/31/2006

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				Start	End	
	EB1SSDPC - SSDPC PRE-INSPECTION VISIT		2			
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		5			
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