



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

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July 31, 2006

EA-06-080

Duke Power Company, LLC d/b/a
Duke Energy Carolinas, LLC (Duke)
ATTN: Mr. B. H. Hamilton
Site Vice President
Oconee Nuclear Station
7800 Rochester Highway
Seneca, SC 29672

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A GREATER THAN GREEN
FINDING AND NOTICE OF VIOLATION (OCONEE NUCLEAR STATION - NRC
INSPECTION REPORT 05000269/2006015, 05000270/2006015 AND
05000287/2006015)

Dear Mr. Hamilton:

The purpose of this letter is to provide you with the Nuclear Regulatory Commission's (NRC) final significance determination for a finding involving a security related matter. The finding was identified during an NRC inspection completed on February 20, 2006, and documented in NRC Special Inspection Report No. 05000269, 270, 287/2006010, issued on May 3, 2006. The finding was preliminarily assessed as an issue that had the potential for greater than very low security significance (i.e., greater than Green as determined by the Physical Protection Significance Determination Process). The cover letter to the inspection report informed Duke of the NRC's preliminary conclusion and provided Duke an opportunity to request a regulatory conference on this matter. In lieu of a regulatory conference, Duke provided a written response dated June 30, 2006.

In its written response, Duke advised that it disagreed with the NRC's preliminary significance determination. Duke did not contest the NRC's determination that the finding represented violations of regulatory requirements.

After considering the information developed during the inspection and the information provided in Duke's response of June 30, 2006, the NRC has concluded that the final inspection finding is

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appropriately characterized as greater than very low security significance in the Physical Protection cornerstone. Enclosure 2 to this letter provides the basis for the NRC's conclusions on this matter.

The findings were promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspectors left the site. The findings were licensee identified.

You have 30 calendar days from the date of this letter to appeal the staff's determination of significance for the identified finding. Such appeals will be considered to have merit only if they meet the criteria given in NRC Inspection Manual Chapter 0609, Attachment 2.

The NRC has also determined that the finding represented two violations of regulatory requirements, as cited in the attached Notice of Violation (Notice). The circumstances surrounding the violations are described in detail in NRC Inspection Report No. 05000269, 270, 287/2006010. In accordance with the NRC Enforcement Policy, the Notice of Violation is considered escalated enforcement action because it is associated with a greater than Green finding.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

For administrative purposes, this letter is issued as a separate NRC Inspection Report, No. 05000269, 270, 287/2006015, and the above violations are identified as VIO 05000269, 270, 287/2006015-01 and -02. Accordingly, Apparent Violations AV 05000269, 270, 287/2006010-01 and -02 are closed.

Because plant performance for this issue has been determined to be in the regulatory response band, we will use the NRC Action Matrix, to determine the most appropriate NRC response for this event. We will notify you, by separate correspondence, of that determination.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be 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 Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security related concerns contained in the

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enclosures, and in accordance with 10 CFR 2.390, a copy of this letter's enclosures will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

Should you have any questions regarding this letter, please contact Mr. Brian R. Bonser, Chief, Plant Support Branch 2, Division of Reactor Safety, at (404) 562-4653.

Sincerely,

/RA: Loren Plisco for/

William D. Travers
Regional Administrator

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

Enclosures:

1. Notice of Violation (**Safeguards Information**)
2. NRC Evaluation (**Safeguards Information**)

cc w/encls:
B. G. Davenport
Compliance Manager (ONS)
Duke Energy Corporation
ON03RC
7800 Rochester Highway
Seneca, SC 29672

cc w/o encls: (See page 4)

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(cc w/o encls cont'd - See page 5)

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