



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

August 31, 2006

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

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

Dear Mr. Hamilton:

On August 2, 2006, the NRC staff completed its performance review of the Oconee Nuclear Station for the first half of the calendar year 2006 assessment cycle. Our technical staff reviewed 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 performance review and the enclosed inspection plan do not include physical protection information. A separate 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.

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 Oconee Units 1, 2, and 3 for the most recent quarter was in 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). Therefore, we plan to conduct reactor oversight process baseline inspections at your facility. In addition to the baseline inspections, we plan to conduct non-ROP inspections involving containment sump blockage, Mitigating System Performance Index, and Independent Spent Fuel Storage Installation.

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) 05000269,270,287/2006002-01 (Failure to Maintain Design Control of SSF Flood Protection Barrier)
- URI 05000287/2006003-03 (Inadequate Foreign Material Exclusion Controls for the Unit 3, A and B Train Reactor Building Emergency Sump Suction Lines)

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 March 31, 2008. 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 twelve months of the inspection plan are tentative and may be revised at the end-of-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 me at (404) 562-4540 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Michael E. Ernstes, Chief
Reactor Projects Branch 1
Division of Reactor Projects

Docket Nos.: 50-269, 50-270, 50-287, 72-04 and 72-40

License Nos.: DPR-38, DPR-47, DPR-55

Enclosure: Oconee Inspection/Activity Plan

cc w/encl: (See page 3)

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cc w/encl: (See page 3)

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Letter to Bruce H. Hamilton from Michael E. Ernstes dated August 31, 2006

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

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