

October 3, 2007

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

SUBJECT: OCONEE NUCLEAR STATION - NRC MATERIAL CONTROL AND
ACCOUNTING PROGRAM INSPECTION REPORT NOS. 05000269/2005202,
05000270/2005202, 05000287/2005202

Dear Mr. Hamilton:

As you are aware, on December 12 - 15, 2005, the U.S. Nuclear Regulatory Commission (NRC) conducted an inspection of the material control and accounting (MC&A) safeguards program at the Oconee Nuclear Station, Units 1, 2, and 3. The inspection was conducted under Phase III of Temporary Instruction 2515/154. The results of that MC&A inspection were documented in Inspection Report Nos. 05000269/2005202, 05000270/2005202, 05000287/2005202, issued on January 19, 2006. In an effort to keep its stakeholders informed of inspection activities, the Commission directed staff to make security-related inspection report cover letters available to the public. This letter is consistent with Commission guidance on its contents and no actions are required on your part.

The inspection examined activities conducted under your license as they relate to safety, security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed storage of special nuclear material in the spent fuel pool, and interviewed personnel. Areas examined during the inspection included physical inventory and accounting records.

Based on the information developed during the inspection and the information you provided in your written response on March 6, 2006, the NRC determined that three violations of NRC requirements occurred. The violations were cited in a Notice of Violation (Notice), issued on April 6, 2006. The finding did not have any actual safety consequences. Nonetheless, the staff considered it to be a significant failure of your MC&A program. Therefore, the violations were categorized collectively in accordance with the NRC Enforcement Policy as a Severity Level III problem. The corrective actions taken and planned to correct the violations and prevent recurrence and the date when full compliance was achieved were adequately addressed in your response of March 6, 2006.

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 Public 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 report, and in accordance with 10 CFR 2.390, the report will not be available for public inspection.

Should you have any questions concerning this letter, please contact Martha Williams at (301) 415-7878.

Sincerely,

/RA/ by P. Peduzzi for

Barry Westreich, Chief
Reactor Security Oversight Branch
Division of Security Operations
Office of Nuclear Security and Incident Response

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

cc: B.G. Davenport
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B. Hamilton

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