



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
612 EAST LAMAR BLVD, SUITE 400  
ARLINGTON, TEXAS 76011-4125

March 4, 2011

Peter Dietrich  
Senior Vice President and  
Chief Nuclear Officer  
Southern California Edison Company  
San Onofre Nuclear Generating Station  
P.O. Box 128  
San Clemente, CA 92674-0128

SUBJECT: ANNUAL ASSESSMENT LETTER FOR SAN ONOFRE NUCLEAR  
GENERATING STATION (NRC INSPECTION REPORTS 05000361/2011001  
AND 05000362/2011001)

Dear Mr. Dietrich,

On February 3, 2011, the NRC completed its end-of-cycle performance review of San Onofre Nuclear Generating Station (SONGS). The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2010, through December 31, 2010. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility. This performance review and enclosed inspection plan do not include security information. A separate letter will include the NRC's assessment of your performance in the Security Cornerstone and its security-related inspection plan.

The NRC determined that overall, SONGS Units 2 and 3 operated in a manner that preserved public health and safety and met all cornerstone objectives. Plant performance for Unit 2 transitioned from the Regulatory Response Column to the Licensee Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix during the most recent quarter. A White finding in the Mitigation Systems cornerstone was closed on December 22, 2010, after completion of all follow-up inspections related to the issue. The finding involved the failure to establish appropriate instructions for replacement of a safety-related battery output breaker resulting in the battery being inoperable between March 2004 and March 2008. In December 2009 the NRC conducted an inspection in accordance with Inspection Procedure 95001, "Supplemental Inspection for One or Two White Inputs in a Strategic Performance Area" and concluded that the White finding would remain open due, in part, to the lack of assurance that your corrective actions would be effective. In December 2010 the NRC completed a second 95001 inspection and issued an interim assessment letter closing the White finding and moving Unit 2 to the Licensee Response Column. Unit 3 plant performance remained in the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings having very low safety significance (Green) and all PIs indicated that your performance was within the nominal,

expected range (Green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility.

In our mid-cycle assessment letter, dated September 1, 2010, we advised you of a continuing substantive cross-cutting issue (SCCI) supported by five themes in the area of Human Performance. This is the seventh consecutive assessment period with this SCCI. The SCCI is associated with three safety culture components: (1) Decision Making involving the theme of using conservative assumptions [H.1(b)]; (2) Resources involving the theme of providing adequate design documentation, procedures, and work instructions [H.2(c)]; and (3) Work Practices involving the themes of using human error prevention techniques [H.4(a)], communicating expectations regarding procedural compliance [H.4(b)], and ensuring supervision and management of work activities [H.4(c)]. NRC inspection results in this area identified significant effort on your part to address these human performance issues, however, corrective actions to date have not resulted in sustained and measurable improvement. You have also identified gaps in your corrective actions and have taken action to identify additional corrective actions to improve the effectiveness of your efforts in this area. Due to these inspection results, your ongoing efforts, and a continuing high number of findings with cross-cutting aspects in human performance, the NRC is keeping these five previously existing themes and the SCCI in Human Performance open. NRC plans to perform inspections for each of these themes after you notify us in writing of your readiness for inspection. As discussed in our mid-cycle assessment letter, the NRC will close each theme when you have demonstrated sustained and measurable improvement. When all of the cross-cutting themes supporting this SCCI are closed, the NRC will review the SCCI to determine if your corrective actions have been effective and all previously closed themes continue to show sustained or improving performance.

During this assessment period the NRC also identified one new theme in the Human Performance area, Decision Making component associated with using a systematic process in decision making [H.1(a)]. Five findings were identified during this assessment period with this cross-cutting aspect. You previously identified this theme and have taken prompt action to evaluate the cause(s) and identify corrective actions to address this theme. Therefore, the NRC is not opening this theme in support of the SCCI in Human Performance because we do not currently have a concern with your staff's scope of effort and progress in addressing this theme.

Also in our mid-cycle assessment letter, the NRC advised you of a continuing SCCI in the area of Problem Identification and Resolution associated with the Corrective Action Program component. This SCCI involved three themes: (1) implementing the corrective action program with a low threshold for identifying issues [P.1(a)]; (2) thoroughly evaluating problems such that the resolutions address the cause and extent of condition [P.1(c)]; and (3) taking appropriate corrective actions to address safety issues in a timely manner, commensurate with their safety significance [P.1(d)]. Based on our inspection results, which identified that your corrective actions have been effective, and a significant reduction in the number of findings associated with these themes, the NRC is closing these three themes and the SCCI in the area of Problem Identification and Resolution.

On March 2, 2010, the NRC issued SONGS a Chilling Effect Letter in response to numerous observations including employees expressing difficulty or inability to use the corrective action program, a lack of knowledge or mistrust of the Nuclear Safety Concerns Program, a substantiated case of a supervisor creating a chilled work environment in their work group, a perceived fear of retaliation for raising safety concerns, and a very high number of allegations related to the SONGS safety conscious work environment (SCWE). The issuance of a Chilling

Effect Letter meets the NRC criteria for a crosscutting theme in the area of SCWE; however, the NRC is not opening an SCCI at this time because of your ongoing efforts to improve the working environment and the NRC's continuing inspections to monitor your progress. In September and December 2010, the NRC participated in public meetings to review your progress in addressing the SCWE issue as well as your progress in addressing other aspects of your safety culture. The effectiveness of your efforts will continue to be evaluated through our normal baseline inspection program and through a focused team inspection as discussed below.

On January 11, 2008, the NRC issued a Confirmatory Order to you as the result of a successful alternative dispute resolution mediation session related to falsification of fire watch certification sheets. NRC inspectors have completed all follow-up inspections and have determined that your corrective actions were effective in addressing all items in the Confirmatory Order. On February 10, 2011, in a letter to you from Mr. Elmo Collins, Regional Administrator for NRC Region IV, we informed you that the Confirmatory Order had been satisfied.

In the mid-cycle assessment letter, the NRC informed you of additional planned inspections focused on evaluating SONGS' organizational and operational improvement efforts. These inspections were approved by the NRC Executive Director for Operations in an NRC deviation memorandum dated April 30, 2010. In accordance with this deviation memorandum, NRC personnel performed inspections including additional effort in the regularly scheduled Problem Identification and Resolution (PI&R) team inspection, a separate focused PI&R team inspection, and additional inspections to review maintenance, operations, and the substantive crosscutting issue in Problem Identification and Resolution. The deviation memorandum was closed effective December 31, 2010.

The enclosed inspection plan lists the inspections scheduled through June 30, 2012. As previously mentioned the NRC will conduct additional inspections focused on your ongoing SCCI in the area of Human Performance. In addition, the NRC plans to conduct a focused inspection to review your ongoing efforts to improve your safety conscious work environment. The NRC will conduct the inspections following written notification from you that your facility is ready for our review of these issues.

Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. Temporary Instruction 2515/177 Inspection, "Managing Gas Accumulation in Emergency Core Cooling, Decay Heat Removal, and Containment Spray Systems," which remains to be scheduled, will be completed during the 2011 or 2012 calendar year. The NRC will contact you to establish an appropriate time for this activity.

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 Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact Mr. Ryan Lantz at 817-860-8173 with any questions you may have regarding this letter.

Sincerely,

A handwritten signature in black ink, reading "Kriss M. Kennedy". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kriss M. Kennedy, Director  
Division of Reactor Projects

Docket Nos.: 50-361, 50-362  
License Nos.: NPF-10, NPF-15

Enclosure:  
San Onofre Nuclear Generating Station Inspection Plan

cc: Distribution via ListServ

## San Onofre

## Inspection / Activity Plan

03/01/2011 - 06/30/2012

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			<b>EP1 - BIENNIAL EP EXERCISE INSPECTION</b>		3
2, 3	04/11/2011	04/15/2011	IP 7111401	Exercise Evaluation	
2, 3	04/11/2011	04/15/2011	IP 7111404	Emergency Action Level and Emergency Plan Changes	
2, 3	04/11/2011	04/15/2011	IP 711151	Performance Indicator Verification	
			<b>PBD-SCWE - SONGS SCWE PI&amp;R</b>		5
2, 3	05/23/2011	05/27/2011	IP 711152	Identification and Resolution of Problems	
			<b>PBD-SCCI - PI&amp;R HP THEME INSPECTION</b>		2
2, 3	05/09/2011	05/13/2011	IP 711152	Identification and Resolution of Problems	
			<b>EXAM - INITIAL OPERATOR EXAM</b>		5
2	09/12/2011	09/16/2011	X02476	INITIAL EXAM - UNIT 2 - SONGS (10/2011)	
3	09/12/2011	09/16/2011	X02477	INITIAL EXAM - UNIT 3 - SONGS (10/2011)	
2	10/17/2011	10/28/2011	X02476	INITIAL EXAM - UNIT 2 - SONGS (10/2011)	
3	10/17/2011	10/28/2011	X02477	INITIAL EXAM - UNIT 3 - SONGS (10/2011)	
			<b>RS45 - RADIATION SAFETY</b>		2
2, 3	06/06/2011	06/10/2011	IP 71124.04	Occupational Dose Assessment	
2, 3	06/06/2011	06/10/2011	IP 71124.05	Radiation Monitoring Instrumentation	
			<b>EB1-21 - COMPONENT DESIGN BASIS INSPECTION</b>		4
2, 3	06/20/2011	07/22/2011	IP 7111121	Component Design Bases Inspection	
			<b>RP123 - RADIATION SAFETY</b>		2
2, 3	10/24/2011	10/28/2011	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
2, 3	10/24/2011	10/28/2011	IP 71124.02	Occupational ALARA Planning and Controls	
2, 3	10/24/2011	10/28/2011	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
2, 3	10/24/2011	10/28/2011	IP 71151-OR01	Occupational Exposure Control Effectiveness	
2, 3	10/24/2011	10/28/2011	IP 71151-PR01	RETS/ODCM Radiological Effluent	
			<b>PSB2-08P - INSERVICE INSPECTION - U2</b>		2
2	01/09/2012	01/20/2012	IP 7111108P	Inservice Inspection Activities - PWR	
			<b>EB1-17T - 50.59 &amp; PERM PLANT MODS</b>		2
2, 3	02/20/2012	03/02/2012	IP 7111117T	Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications	
2, 3	02/20/2012	03/02/2012	IP 7111117T-chng/tst	change/test/evaluations	
2, 3	02/20/2012	03/02/2012	IP 7111117T-evals	evaluations	
2, 3	02/20/2012	03/02/2012	IP 7111117T-permmod	permanent mods	
			<b>EP-1 - BIENNIAL EP PROGRAM INSPECTION</b>		1
2, 3	03/19/2012	03/23/2012	IP 7111402	Alert and Notification System Testing	
2, 3	03/19/2012	03/23/2012	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
2, 3	03/19/2012	03/23/2012	IP 7111404	Emergency Action Level and Emergency Plan Changes	

This report does not include INPO and OUTAGE activities.

This report shows only on-site and announced inspection procedures.

03/03/2011 15:44:34

Report 22

San Onofre

## Inspection / Activity Plan

03/01/2011 - 06/30/2012

Unit Number	Planned Dates Start End	Inspection Activity	Title	No. of Staff on Site
<b>EP-1 - BIENNIAL EP PROGRAM INSPECTION</b>				
2, 3	03/19/2012 03/23/2012	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	1
2, 3	03/19/2012 03/23/2012	IP 71151-EP01	Drill/Exercise Performance	
2, 3	03/19/2012 03/23/2012	IP 71151-EP02	ERO Drill Participation	
2, 3	03/19/2012 03/23/2012	IP 71151-EP03	Alert & Notification System	
<b>EB1-07T - HEAT SINK PERFORMANCE</b>				
2, 3	06/18/2012 06/22/2012	IP 7111107T	Heat Sink Performance	1

This report does not include INPO and OUTAGE activities.

This report shows only on-site and announced inspection procedures.