

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BLVD
ARLINGTON, TEXAS 76011-4511

September 4, 2012

Mr. 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: MID-CYCLE ASSESSMENT LETTER FOR SAN ONOFRE NUCLEAR
GENERATING STATION, UNITS 2 AND 3 (INSPECTION REPORT
05000361/2012006 AND 05000362/2012006)

Dear Mr. Dietrich:

On August 15, 2012, the U.S. Nuclear Regulatory Commission (NRC) completed its mid-cycle performance review of San Onofre Nuclear Generating Station, Units 2 and 3. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from July 1, 2011, through June 30, 2012. 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 assessment reflects the integration of the Security Cornerstone into the Reactor Oversight Process (ROP) performance assessment program governed by IMC 0305, "Operating Reactor Assessment Program."

The NRC determined the performance at San Onofre Nuclear Generating Station, Units 2 and 3 during the most recent quarter was within the Regulatory Response Column of the NRC's ROP Action Matrix because of one greater-than-green Security Cornerstone input as described in NRC Inspection Report 05000361;05000362/2012403 dated August 14, 2012 (ML12229A106). The NRC staff determined that this decision would be retroactive to the beginning of the calendar quarter in which the issue was first identified, resulting in San Onofre being in the Regulatory Response Column effective in the second quarter 2012.

The NRC plans to conduct a supplemental inspection for the greater-than-green Security Cornerstone input. The objectives of this supplemental inspection are to provide assurance that the root causes and contributing causes of risk-significant performance issues are understood, the extent of condition and extent of cause of risk-significant performance issues are identified, and your corrective actions for risk-significant performance issues are sufficient to address the root and contributing causes and prevent recurrence. This inspection will be conducted after your staff notifies the NRC of your readiness for the supplemental inspection.

In our end-of-cycle assessment letter dated March 5, 2012, the NRC discussed a new cross-cutting theme in the human performance area, resources component, associated with the aspect of procedure quality [H.2(c)]. The NRC staff noted that you had taken several actions to address this theme, including a thorough evaluation of corrective actions resulting in identification of new as well as revisions to past corrective actions, and completion of a common cause evaluation to look for other potentially affected areas. The staff noted that although this theme continues in this assessment cycle, no new inspection findings have been identified in this theme since our end-of-cycle assessment letter. Due to the effectiveness of your previous corrective actions, the NRC is not opening a new substantive cross cutting issue (SCCI) in Human Performance [H.2(c)].

The NRC identified a new cross-cutting theme in the human performance area, work practices component, associated with the aspect of procedural compliance. Specifically, the NRC identified four findings associated with the definition and effective communication of expectations regarding procedural compliance and personnel following procedures [H.4(b)]. The NRC determined that an SCCI associated with H.4(b) does not exist because the NRC does not have a concern with your staff's scope of effort and progress in addressing the cross-cutting theme. The NRC staff has reviewed the actions proposed by your staff to address the new theme and determined that these actions, if successfully implemented, should result in an improvement in this area. The NRC will continue to monitor your staff's effort and progress in addressing this theme until the theme criteria are no longer met.

San Onofre Units 2 and 3 have been shutdown since January 2012. Some baseline inspection procedures, as well as performance indicators, cannot be accomplished or are invalid for plants in an extended (greater than 6 months) shutdown. The staff has determined that the following no longer provide valid indications of performance: Unplanned Scrams, Unplanned Power Changes, Unplanned Scrams with Complications, Reactor Coolant System Activity, Reactor Coolant System Leakage and Mitigating Systems Performance Index. You should continue to submit PI data to the NRC in accordance with NEI 99-02 and superseding resolutions to frequently asked questions. The NRC staff will update the NRC's public website to indicate that these PI's are "Not Applicable."

The NRC plans to conduct ROP baseline and supplemental inspections at your facility, in accordance with Inspection Manual Chapter (IMC) 0351, "Implementation of the Reactor Oversight Process at Reactor Facilities in an Extended Shutdown Condition for Reasons Other Than Significant Performance Problems." The NRC is transitioning oversight of San Onofre Units 2 and 3 to IMC 0351 due to the extended shutdown of both units caused by unusual steam generator tube degradation in the recently replaced steam generators. IMC 0351 provides guidance for implementation of the Reactor Oversight Process for plants, such as San Onofre, where the shutdown is a result of a significant technical issue, and not widespread performance issues.

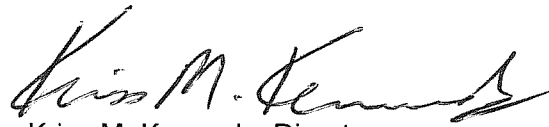
The enclosed inspection plan lists the inspections scheduled through December 31, 2013. Routine inspections performed by resident inspectors are not included in the inspection plan. Due to transition to IMC 0351, some scope changes to baseline inspections, as well as those inspections performed by the resident inspectors, have been planned. These changes are

described in the memorandum dated September 4, 2012, from me to Mr. Ho Nieh, Director, Division of Inspection and Regional Support, Office of Nuclear Reactor Regulation (ML12242A518). In addition to the baseline inspections, consistent with the Agency's actions related to Fukushima, the NRC will perform TI-187, "Inspection of Near-Term Task Force Recommendation 2.3 Flooding Walkdowns," and TI-188, "Inspection of Near-Term Task Force Recommendation 2.3 Seismic Walkdowns." The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the end-of-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. This inspection plan does not include security-related inspections, which will be sent via separate, non-publicly available correspondence.

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, Chief, Projects Branch D, at (817) 200-1173 with any questions you have regarding this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Kriss M. Kennedy". The signature is fluid and cursive, with a large, stylized "K" at the beginning.

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 Activity Plan

cc w/Enclosure: Electronic Distribution

08/22/2012 13:25:45

Report 22

San Onofre

Inspection / Activity Plan

09/01/2012 - 12/31/2013

| Unit Number | Planned Dates Start End | Inspection Activity | Title | No. of Staff on Site |
|-------------|----------------------------|---|--|-------------------------|
| 2, 3 | 03/01/2012 12/31/2012 | - UNDERGROUND PIPING PHASE 1 | | 2 |
| | | TI-182 IP 2515/182 | Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping | |
| 2, 3 | 07/01/2012 12/31/2012 | - FLOODING WALKDOWNS | | 2 |
| | | 2515/187 IP 2515/187 | Inspection of Near-Term Task Force Recommendation 2.3 Flooding Walkdowns | |
| 2, 3 | 07/01/2012 12/31/2012 | - SEISMIC WALKDOWNS | | 2 |
| | | 2515/188 IP 2515/188 | Inspection of Near-Term Task Force Recommendation 2.3 Seismic Walkdowns | |
| 2 | 09/10/2012 09/14/2012 | - INITIAL OPERATOR EXAM | | 6 |
| | | EXAM X02494 | INITIAL EXAM UNIT 2- SONGS (01/01/2012) | |
| 3 | 09/10/2012 09/14/2012 | | | |
| | | X02495 | INITIAL EXAM FOR SONGS, UNIT 3, START DATE (01/01/2012) | |
| 2 | 10/15/2012 10/19/2012 | | | |
| | | X02494 | INITIAL EXAM UNIT 2- SONGS (01/01/2012) | |
| 3 | 10/15/2012 10/19/2012 | | | |
| | | X02495 | INITIAL EXAM FOR SONGS, UNIT 3, START DATE (01/01/2012) | |
| 2, 3 | 01/01/2013 06/30/2013 | - UNDERGROUND PIPING PHASE 1 | | 2 |
| | | TI-182 IP 2515/182 | Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping | |
| 2, 3 | 01/01/2013 12/31/2013 | - FLOODING WALKDOWNS | | 2 |
| | | 2515/187 IP 2515/187 | Inspection of Near-Term Task Force Recommendation 2.3 Flooding Walkdowns | |
| 2, 3 | 01/01/2013 12/31/2013 | - SEISMIC WALKDOWNS | | 2 |
| | | 2515/188 IP 2515/188 | Inspection of Near-Term Task Force Recommendation 2.3 Seismic Walkdowns | |
| 2, 3 | 05/20/2013 05/24/2013 | - BIENNIAL EXERCISE INSPECTION | | 4 |
| | | EP1 IP 7111401 | Exercise Evaluation | |
| 2, 3 | 07/15/2013 07/19/2013 | - RADIATION SAFETY | | 2 |
| | | PSB2-RP IP 71124.02 | Occupational ALARA Planning and Controls | |
| 2, 3 | 07/15/2013 07/19/2013 | | | |
| | | IP 71124.04 | Occupational Dose Assessment | |
| 2, 3 | 10/21/2013 10/25/2013 | - TRIENNIAL FIRE PROTECTION INSPECTION | | 4 |
| | | EB2-05T IP 7111105T | Fire Protection [Triennial] | |
| 2, 3 | 11/04/2013 11/08/2013 | | | |
| | | IP 7111105T | Fire Protection [Triennial] | |
| 2 | 10/01/2013 10/12/2013 | - INSERVICE INSPECTION | | 1 |
| | | PSB2-ISI IP 7111108P | Inservice Inspection Activities - PWR | |
| 2, 3 | 10/14/2013 10/18/2013 | - RADIATION SAFETY | | 2 |
| | | PSB2-RP IP 71124.01 | Radiological Hazard Assessment and Exposure Controls | |
| 2, 3 | 10/14/2013 10/18/2013 | | | |
| | | IP 71124.03 | In-Plant Airborne Radioactivity Control and Mitigation | |
| 3 | 10/14/2013 10/18/2013 | | | |
| | | IP 71151-OR01 | Occupational Exposure Control Effectiveness | |
| 2 | 10/14/2013 10/18/2013 | | | |
| | | IP 71151-PR01 | RETS/ODCM Radiological Effluent | |
| 2 | 10/14/2013 10/25/2013 | - UNIT 2 INSERVICE INSPECTION | | 1 |
| | | PSB2-ISI IP 7111108P | Inservice Inspection Activities - PWR | |

This report does not include INPO and OUTAGE activities.

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