DUKE COULD FACE OCONEE PENALTIES



Oconee Nuclear Station could be facing civil penalties. STAFF FILE

NRC presses for fire-safety fix, but says plant's safe

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The U.S. Nuclear Regulatory Commission is considering "escalated enforcement action" against Duke Energy following the agency's determination that Oconee Nuclear Station is in apparent violation of its operating license after years of delay in upgrading its fire-protection methods.

The chief provider of energy to the Upstate could face civil penalties if the company is unable to adequately explain why it has missed several deadlines over the past several years, the NRC wrote in a letter to Duke demanding explanation.

The company will request a hearing to present its case, Duke spokeswoman Sandra Magee told GreenvilleOnline.com.

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The public hearing likely will take place within the next 30 days at the NRC's headquarters in Maryland, NRC spokesman Roger Hannah said.

For the past several years, Oconee has been operating under temporary practices that were never meant to be permanent, on the promise, the NRC

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said, that Duke would lead the way in a pilot program to change how the country's nuclear reactors protect against fire.

While the NRC considers Oconee currently safe to operate, the fact that Duke has taken so long is "of significant regulatory concern," Michele Evans, director of the NRC's Division of Operator Reactor Licensing, wrote to Oconee Site vice president Preston Gillespie this week.

The letter followed a public meeting this week at the nuclear station during which Duke explained to the NRC how underestimating the complexity of the project caused the company to miss deadlines and how it has committed significant resources to complete the so-called "protected service water system" within the next two years.

The NRC's denial earlier this month of Duke's request to extend the time it has to complete the project is an action nuclear watchdogs say is rare.

Increased risk

The NRC says Oconee's degree of safety — based on a set of regulatory formulas assessing reactor failure risks — could be as much as 40 times less than if Duke had kept to deadlines it promised in order to avoid customary regulatory oversight.

In an earlier letter to Duke Energy this month, the NRC detailed what led the two to this point.

In 2004, the NRC adopted a new set of regulations that would allow nuclear plants to undertake new efforts in how they protect nuclear reactors from fire.

The performance-based standards, which take into account site-specific concerns, would replace "deterministic standards" adopted more than three decades ago following a reactor fire in Alabama.

In 2005, Duke asked the NRC to allow it to be first to implement new standards at Oconee's three reactors under designation as a "pilot plant," according to the NRC letter earlier this month.

The NRC could observe the transition under a state of "enforcement discretion" while Duke would avoid costly traditional oversight and violations in the meantime, the agency said.

Duke's plan was multifaceted — it has completed 44 of 47 components of its plan – but centered on using a "protected service water system" to shut down the plant in case back-up controls were unsuccessful, according to NRC documents.

In 2006, Duke shared its intent to install the system by the end of 2010 and was allowed to submit an incomplete license application. However, in April 2010, Duke submitted a final application that promised completion by the end of 2012.

Duke was allowed to operate under a special license as if it were meeting national protection standards even though the program hadn't been fully implemented.

In January a year ago, Duke told the NRC that it was on schedule to complete the new water system within the year but later that summer asked for an extension to the end of 2014, according to agency documents.

In November, Duke told the NRC that the new system wouldn't be completed until the end of 2015, the agency said.

Duke commits

In a public meeting this week at the nuclear station, Eric Leeds, the NRC's director of the Office of Nuclear Reactor Regulation, told Duke officials that they needed to "keep whipping that horse to the finish line."

Duke officials shared the status of the project and offered "unwavering commitment" to complete it.

"We agree with the Nuclear Regulatory Commission that much remains to be done," Gillespie said. "We do need to put these projects over the finish line."

Jim Fuller, the general manager specifically assigned to complete the protected service water system, said that Duke recently completed installation of underground grids, electrical equipment, HVAC and batteries for the system.

By the end of March, Fuller said, the system's building will be powered up, including power provided to Oconee's backup system.

The pump and piping installation for the system is currently in the design phase, he said.

To streamline the project, Fuller said, Duke has undergone an organizational shift that has the general manager report directly to Duke's senior vice president for nuclear operations, Regis Repko.

The company has assigned a full-time engineer to work with the vendor for the project and ensure priority is given, he said.

Terry Patterson, Oconee's safety assurance manager, said that Duke had implemented the new fire-protection system as of last month with improvements made outside of the protected service system, such as altering how workers handle transient combustibles.

The meeting was a sample of the argument Duke will make before the NRC.

"We underestimated the complexity of a project of this scope," Repko said. "It seemed relatively straightforward. We have made significant progress, and we remain committed to this project being completed at the earliest opportunity."

No risk increase

In the enforcement letter this week, NRC's Evans wrote that Duke appears to be in violation of the fire-protection condition of its operating license for all three of its reactors.

The failure to implement standards on time hasn't resulted in an "increase in plant risk from the current plant risk profile," Evans wrote.

"However, the failure to complete the PSW modification, as licensed, is of significant regulatory concern to the NRC because the expected risk reduction benefit from the PSW system was not realized," she wrote.

Full implementation by December 2010, Evans wrote, "was a key factor" in approving Oconee's license conditions for upgrading fire plans.

"Had the staff known that the PSW modification would not be completed per the schedule," she wrote, "the staff would not have approved the (license amendment request) as proposed."

Instead, Evans wrote, the NRC would have required other actions, such as "more timely modifications to the facility" and a more detailed review of fire risks.

The letter lays out the schedule Duke must abide by — 10 days to indicate whether they will respond by letter or request a hearing and 30 days to prepare a thorough case.

"In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violation(s)," Evans wrote.

In this week's meeting, Leeds told Duke officials that they will need to set reasonable goals.

"I urge you to come up with a realistic schedule for when each one of these are going to be done, because I think that there's a lot of safety benefit in each one of these major milestones. The pressure's on you. You've set the expectations."