

June 13, 2012
EN 12-025

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Tennessee Valley Authority
Watts Bar Nuclear Plant
Docket Nos.: 50-391

EA-12-021

Subject: CONFIRMATORY ORDER (EFFECTIVE IMMEDIATELY) TO TENNESSEE
VALLEY AUTHORITY

This is to inform the Commission that a Confirmatory Order will be issued on or about June 18, 2012, to Tennessee Valley Authority (TVA), confirming commitments reached as part of an alternative dispute resolution (ADR) mediation settlement agreement between TVA and the NRC.

In a letter dated March 23, 2012, the NRC provided TVA with the results of an investigation completed by the NRC's Office of Investigations (OI). The NRC's letter concluded that on or about August 16, 2010, two subcontractor employees (one craft and one craft foreman) at Watts Bar Unit 2 deliberately falsified micrometer readings identified in Work Order (WO) procedures for primary containment penetrations, and falsely annotated on the WOs that micrometer readings had been performed for cables in these penetrations, when the micrometer readings had not been completed. Additionally, the craft foreman falsely attested that a work order review, field walk down, review of craft documentation, and the scope of work had all been completed. These actions caused TVA to be in apparent violation of 10 CFR Part 50, Appendix B, Criterion V, *Instructions, Procedures and Drawings*, and 10 CFR 50.9, *Completeness and Accuracy of Information*. Both subcontractor employees were subsequently prosecuted by the Department of Justice (DOJ), and in light of this prosecution, the NRC declined to take further enforcement action against these individuals.

As part of the NRC's normal enforcement process, TVA elected ADR to resolve the matter through mediation. The mediation session was held on May 21, 2012 and a settlement agreement was reached. As part of the ADR settlement agreement, TVA has completed a number of corrective actions and agreed to implement additional corrective actions and enhancements. These actions included a prompt cessation of all containment electrical penetration work activities and the initiation of an internal review of the incident, a root cause and extent of condition review, procedural revisions and training related to the importance of 10 CFR 50.9 and procedural compliance, and various site specific (Watt Bar Unit 2) and fleet wide communications. In consideration of the corrective actions and commitments outlined in the order, the NRC agreed to refrain from proposing a civil penalty and issuing a Notice of Violation for this matter.

It should be noted that the licensee has not been specifically informed of the enforcement action. The schedule of issuance and notification is:

Telephone notification of the licensee	June 18, 2012
Mailing of Orders	June 18, 2012

The State of Tennessee will be notified.

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