

C. R. "Chuck" Pierce
Director
Regulatory Affairs

Southern Nuclear
Operating Company, Inc.
42 Inverness Center Parkway
Post Office Box 1295
Birmingham, AL 35242

Tel 205.992.7872
Fax 205.992.5296



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Docket Nos.: 52-025
52-026

ND-12-1424

U.S. Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555-0001

Southern Nuclear Operating Company
Vogtle Electric Generating Plant Units 3 & 4
Reply to a Notice of Violation

Ladies and Gentlemen:

By letter dated June 19, 2012, the U.S. Nuclear Regulatory Commission (NRC) issued Inspection Report Numbers 05200025/2012-006 and 05200026/2012-006 concerning the inspection at Vogtle Electric Generating Plant. The inspectors performed the inspection to evaluate the implementation of corrective action programs (CAP) of Southern Nuclear Operating Company (SNC) and the Engineering, Procurement and Construction (EPC) Consortium of Shaw Stone and Webster (Shaw) and Westinghouse Electric Company (WEC) utilized for the VEGP Units 3 and 4 construction projects and to determine if construction activities associated with CAP were conducted under the conditions of the combined license (COL) and in compliance with the Commission's rules and regulations.

The inspection report identified two Violations of NRC requirements. Enclosure 1 contains the response to Violation 5200025/2012-006-01, 5200026/2012-006-01 and Enclosure 2 contains the response to Violation 5200025/2012-006-02, 5200026/2012-006-02.

This letter contains no NRC commitments.

If you have any questions regarding this letter, please contact Mr. Howard Mahan at (706) 437-6417.

LEDI
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Mr. Charles R. Pierce states he is the Regulatory Affairs Director of Southern Nuclear Operating Company, is authorized to execute this oath on behalf of Southern Nuclear Operating Company and to the best of his knowledge and belief, the facts set forth in this letter are true.

Respectfully submitted,

SOUTHERN NUCLEAR OPERATING COMPANY

Charles R. Pierce

Charles R. Pierce

Sworn to and subscribed before me this 19th day of July, 2012

Notary Public: Dana Marie Williams

My commission expires: 12/01/2014

CRP/DRG/kms **NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Dec 1, 2014
BONDED THRU NOTARY PUBLIC UNDERWRITERS**

Enclosures: 1) Reply to a Notice of Violation 5200025/2012-006-01, 5200026/2012-006-01
2) Reply to a Notice of Violation 5200025/2012-006-02, 5200026/2012-006-02

cc: Southern Nuclear Operating Company

Mr. S. E. Kuczynski, Chairman, President & CEO (w/o enclosures)
Mr. J. A. Miller, Executive VP, Nuclear Development
Mr. D. A. Bost, Chief Nuclear Officer (w/o enclosures)
Mr. B. L. Ivey, VP, Regulatory Affairs
Mr. M. D. Rauckhorst, VP, Vogtle 3 & 4 Construction (w/o enclosures)
Mr. D. H. Jones, VP, Regulatory Affairs, Vogtle 3 & 4
Mr. J. R. Johnson, VP, Operational Readiness, Vogtle 3 & 4 (w/o enclosures)
Mr. T. E. Tynan, Site VP, Vogtle 1 & 2
Mr. D. M. Lloyd, Project Support Director, Vogtle 3 & 4 (w/o enclosures)
Mr. C. R. Pierce, Regulatory Affairs Director
Mr. M. J. Ajluni, Nuclear Licensing Director
Mr. D. L. Fulton, Environmental Manager
Mr. C. H. Mahan, Site Licensing Manager, Vogtle 3 & 4
Ms. A. G. Aughtman, Corporate Licensing Manager, Vogtle 3 & 4
Mr. M. C. Medlock, ITAAC Project Manager, Vogtle 3 & 4
Mr. W. A. Sparkman, Licensing Supervisor
Mr. D. W. Midlik, Licensing Supervisor
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Nuclear Regulatory Commission

Mr. V. M. McCree, Region II Administrator (w/o enclosures)
Mr. F. M. Akstulewicz, Deputy Director Div. of New Reactor Licensing (w/o enclosures)
Mr. M. E. Tonacci, AP1000 Licensing Branch Chief (w/o enclosures)
Mr. R. G. Joshi, Lead Project Manager of New Reactors
Ms. D. L. McGovern, Project Manager of New Reactors
Mr. B. M. Bovol, Project Manager of New Reactors
Ms. M. A. Sutton, Environmental Project Manager
Mr. L. M. Cain, Senior Resident Inspector of VEGP 1 & 2
Mr. J. D. Fuller, Senior Resident Inspector of VEGP 3 & 4
Mr. G. Khouri, Senior Project Engineer VEGP 3 & 4
Mr. C. Abbott, Resident Inspector of VEGP 3 & 4
Mr. C. Huffman, Resident Inspector of VEGP 3 & 4

Georgia Power Company

Mr. B.H. Whitley, Nuclear Development Director

Oglethorpe Power Corporation

Mr. M. W. Price, Executive VP and Chief Operating Officer
Mr. K. T. Haynes, Director of Contracts and Regulatory Oversight

Municipal Electric Authority of Georgia

Mr. J. E. Fuller, Senior VP, Chief Financial Officer
Mr. S. M. Jackson, VP, Power Supply

Dalton Utilities

Mr. D. Cope, President and Chief Executive Officer

Bechtel Power Corporation

Mr. J. S. Prebula, Project Engineer (w/o enclosures)
Mr. R. W. Prunty, Licensing Engineer

Tetra Tech NUS, Inc.

Ms. K. K. Patterson, Project Manager

Shaw Stone & Webster, Inc.

Mr. G. Grant, VP, Licensing & Regulatory Affairs (w/o enclosures)
Ms. K. Stoner, Vogtle Project Manager (w/o enclosures)
Mr. C. A. Castell, Licensing Engineer
Mr. E. C. Wenzinger, Licensing Engineer, Vogtle Units 3 & 4

Westinghouse Electric Company, LLC

Ms. J. Falascino, VP, Project Delivery (w/o enclosures)
Mr. T. H. Dent, VP, Consortium Project Director Vogtle Units 3 & 4 (w/o enclosures)
Mr. R. F. Ziesing, Director, Vogtle AP1000 Operations and Consortium Licensing (w/o encl.)
Mr. P. A. Russ, Director, AP1000 Global Licensing
Mr. R. A. DeLong, Director of U.S. & International Licensing (acting)
Mr. S. A. Bradley, Vogtle Project Licensing Manager
Mr. T. J. Ray, Manager, AP1000 COL Licensing Support

Southern Nuclear Operating Company

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Enclosure 1

Reply to a Notice of Violation

05200025/2012-006-01, 5200026/2012-006-01

Reply to a Notice of Violation 05200025/2012-006-01, 5200026/2012-006-01

This enclosure provides Southern Nuclear Operating Company's (SNC's) reply to the Notice of Violation (NOV) issued to SNC by the U.S. Nuclear Regulatory Commission (NRC) in a letter dated June 19, 2012. The NOV was generated from NRC inspections ending on April 20, 2012 that were performed with the purpose of evaluating the implementation of corrective action programs (CAP) of Southern Nuclear Operating Company (SNC) and the Engineering, Procurement and Construction (EPC) Consortium of Shaw Stone and Webster (Shaw) and Westinghouse Electric Company (WEC) utilized for the VEGP Units 3 and 4 construction projects.

Violation 05200025/2012-006-01, 5200026/2012-006-01 states:

Criterion XVI, Corrective Action, of 10 CFR Part 50, Appendix B, requires, in part, that measures shall be established to assure that conditions adverse to quality, such as failures, malfunctions, deficiencies, deviations, defective material and equipment, and nonconformances are promptly identified and corrected.

Southern Nuclear Operating Company (SNC) Nuclear Development Quality Assurance Manual, Section 16, Version 9.4, states in part, SNC has established the necessary measures and governing procedures to promptly identify, control, document, classify, and correct conditions adverse to quality. SNC procedures assure that corrective actions are documented and initiated following the determination of conditions adverse to quality in accordance with regulatory requirements and applicable quality standards. Section 16 further states, In the case of suppliers working on safety-related activities, or other similar situations, SNC may delegate specific responsibilities for corrective actions but SNC maintains responsibility for the effectiveness of corrective action measures.

Contrary to the above, from October 31, 2010, to April 16, 2012, the licensee failed to assure the effectiveness of corrective action measures implemented by Engineering Procurement and Construction suppliers Shaw Stone and Webster (Shaw) and Westinghouse Electric Company, LLC (WEC), in that, adverse conditions identified in Shaw corrective action reports (CARs) and WEC issue reports (IRs) were not promptly identified as conditions adverse to quality as described in the following five examples:

- (1) Shaw CAR 2011-0706, dated 10/31/2011, concerning a failure to implement a quality-related inspection procedure checklist which resulted in a failure to implement the associated quality inspection hold points, a condition adverse to quality, was closed with no corrective actions taken to address the condition.
- (2) Shaw CAR 2011-0728, dated 11/16/2011, concerning a failure to implement a requirement to prepare documented evaluations for changes made to four quality-related inspection plans, a condition adverse to quality, was closed with no corrective actions taken to address the condition.
- (3) Shaw CAR 2011-0776, dated 07/06/2011, concerning a condition where out of tolerance concrete batch plant admixture flow meters were used to process safety-related concrete. The identified condition was a condition adverse to quality.

- (4) Westinghouse IR 12-079-M022, dated 03/19/2012, concerning potentially nonconforming paint applied to hand wheels of safety-related valves designated for use inside containment. The identified condition was a condition adverse to quality.
- (5) The process for screening Westinghouse IRs did not provide a record of whether issues categorized as "Fix/Trend" were treated as conditions adverse to quality. None of the conditions adverse to quality in this class of issue reports, which were issued prior to January 2012, were identified.

This violation is associated with a Green SDP finding.

Reason(s) for Violation 05200025/2012-006-01, 5200026/2012-006-01:

SNC accepts the Violation and offers the following discussion regarding the circumstances which resulted in the Violation:

Procedures for promptly identifying Conditions Adverse to Quality (CAQs) were not effective. Stone & Webster (Shaw) procedure QS 16.5, "Corrective Action System," was not effective for promptly identifying CAQs. Westinghouse (WEC) procedure WEC 16.2, "Westinghouse Corrective Action Process," and implementing software had been recognized as not effective for promptly identifying CAQs and were revised in early 2012. However, previously reviewed issues had not been re-screened to identify CAQs. As a result, issues that should have been identified as CAQs were not promptly identified.

SNC oversight of Shaw and WEC was not adequate to detect weaknesses in procedures for promptly identifying CAQs.

Immediate Corrective Actions Taken and Results Achieved:

Following the NRC inspection SNC, WEC, and Shaw entered NRC observations in the respective Corrective Action Programs.

Examples cited in the Inspection Report have been reclassified as CAQs in the respective corrective action programs.

The appropriate personnel have been provided additional guidance on identification of CAQs. This additional guidance has resulted in identification of additional CAQs.

Corrective Actions to be Taken:

SNC has no corrective actions to be taken to achieve full compliance.

Corrective Actions to be Taken to Avoid Further Violations:

Shaw and WEC corrective action documents issued since January 1, 2012, previously screened as non-CAQs, will be re-reviewed to identify CAQs.

Shaw procedure QS 16.5 will be revised to provide improved guidance to identify CAQs.

Date When Full Compliance Will Be Achieved:

Full compliance was achieved by the date of this letter by SNC performing oversight of all Shaw and WEC corrective action program items to ensure that items are adequately identified as CAQs or non-CAQs.

Southern Nuclear Operating Company

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Enclosure 2

Reply to a Notice of Violation

05200025/2012-006-02, 5200026/2012-006-02

Reply to a Notice of Violation 05200025/2012-006-02, 5200026/2012-006-02

This enclosure provides Southern Nuclear Operating Company's (SNC's) reply to the Notice of Violation (NOV) issued to SNC by the U.S. Nuclear Regulatory Commission (NRC) in a letter dated June 19, 2012. The NOV's were generated from NRC inspections ending on April 20, 2012 that were performed with the purpose of evaluating the implementation of corrective action programs (CAP) of Southern Nuclear Operating Company (SNC) and the Engineering, Procurement and Construction (EPC) Consortium of Shaw Stone and Webster (Shaw) and Westinghouse Electric Company (WEC) utilized for the VEGP Units 3 and 4 construction projects.

Violation 05200025/2012-006-02, 5200026/2012-006-02 states:

Criterion XVI of 10 CFR Part 50, Appendix B, requires, in part, that measures shall be established to assure that conditions adverse to quality, such as failures, malfunctions, deficiencies, deviations, defective material and equipment, and nonconformances are promptly identified and corrected.

Contrary to the above, from July 27, 2011 to April 20, 2012, the licensee failed to assure that conditions adverse to quality identified in SNC CAR 191465 and condition reports (CR) 348648 and CR 400029 were promptly corrected. Specifically, the licensee closed SNC CAR 191465, SNC CR 348648, and SNC CR 400029 following the delegation of evaluations and corrective actions to Shaw, who subsequently failed to enter the conditions adverse to quality in their corrective action program.

This violation is associated with a Green SDP finding.

Reason for Violation 05200025/2012-006-02, 5200026/2012-006-02:

SNC accepts the Violation and offers the following discussion regarding the circumstances which resulted in the Violation:

Contrary to procedure, an SNC individual inappropriately closed the condition reports referenced in this violation.

Immediate Corrective Actions Taken:

The individual involved was coached to follow the procedure.

This incident was used to emphasize to other appropriate individuals the importance of following procedures.

Corrective Actions to be Taken:

SNC has no corrective actions to be taken to achieve full compliance.

Corrective Actions to be Taken to Avoid Further Violations:

A causal analysis to address the process of SNC oversight of the consortium CAP is being developed and will be completed by August 31, 2012.

Date When Full Compliance Will Be Achieved:

Full compliance was achieved by the date of this letter by the individual involved being coached regarding procedure compliance.