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NL-16-2196

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D. C. 20555-0001

Joseph M. Farley Nuclear Plant
Reply to a Notice of Violation, EA-16-110

Ladies and Gentlemen:

By letter dated October 4, 2016, titled "Joseph M. Farley Nuclear Plant – NRC Inspection Report NO. 05000348/2016008, 05000364/2016008, NRC Office of Investigation Report 2-2015-032 and Notice of Violation," the Nuclear Regulatory Commission (NRC) notified Southern Nuclear Operating Company (SNC) of a Traditional Enforcement Severity Level IV Violation and Green Finding. This licensee identified violation and associated finding is due to a contract employee willfully taking site access and other requalification examinations for other individuals. The contract employee made inaccurate entries into training records, thereby falsely indicating that the employees completed and passed the examinations. The violations occurred in 2014, and early 2015.

Upon discovery, these incidents were entered into the station corrective action program and a causal evaluation was performed. Based on this evaluation, the enclosure contains the response which includes: (1) the reason for the violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved.

This letter contains no NRC commitments.

If you have any questions, please contact Barbara Taylor at 334-814-4892.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "C. Gayheart", written over a horizontal line.

Ms. C. A. Gayheart
Vice President – Farley
CAG/DN/cg

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cc: Southern Nuclear Operating Company
Mr. S. E. Kuczynski, Chairman, President & CEO
Mr. D. G. Bost, Executive Vice President & Chief Nuclear Officer
Ms. C. A. Gayheart, Vice President – Farley
Mr. M. D. Meier, Vice President – Regulatory Affairs
Mr. D. R. Madison, Vice President – Fleet Operations
Mr. B. J. Adams, Vice President – Engineering
Ms. B. L. Taylor, Regulatory Affairs Manager – Farley
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U. S. Nuclear Regulatory Commission
Ms. C. Haney, Regional Administrator
Mr. S. A. Williams, NRR Project Manager – Farley
Mr. P. K. Niebaum, Senior Resident Inspector – Farley

**Joseph M. Farley Nuclear Plant
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Enclosure

Reply to a Notice of Violation, EA-16-110

1. Restatement of the Violation

NRC letter EA-16-110, dated October 4, 2016, cited a violation of 10 CFR 50.9, "Completeness and accuracy of information," related to instances of a contractor willfully taking annual requalification examinations for two separate individuals and making inaccurate entries in training records, thereby falsely indicating that the employees actually took and passed the examinations. The records inaccurately showed that workers had successfully completed required annual requalification exams for fitness-for-duty, plant access, radiation worker, and other training courses. The records are required to be maintained, and are material to the Nuclear Regulatory Commission (NRC) because they are used as evidence of compliance with training requirements.

Southern Nuclear Operating Company (SNC) accepts this violation, has taken prompt action to return to full compliance, and has implemented comprehensive corrective actions for long-term sustained performance.

2. Reason for the Violation

An evaluation performed by SNC determined that the root causes related to this event were (1) Willful misconduct by the contractor proctor, supervisor, and superintendent and (2) Less than adequate management of problem identification, evaluation, and resolution of issues involving integrity at the precursor level.

The root cause evaluation included independent experts on human performance and a robust extent of condition review of past events/issues at Farley Nuclear Plant (FNP) where integrity was determined to be a factor in the event or was identified during the investigation. A review of the 2013 FNP Confirmatory Order corrective actions to evaluate applicability to 2015 proctor incident was also conducted during the root cause evaluation.

The corrective actions to prevent repeat occurrences of willfully violating examination proctoring requirements and making false entries into the training records system are in place.

3. Corrective Steps That Have Been Taken and the Results Achieved

- a. The severity and nature of the concern raised to SNC prompted SNC management to immediately take a number of actions while conducting the internal investigation. Among these actions the most significant are described below:
 - SNC suspended the proctor's unescorted and site access.
 - SNC management stopped all work by the vendor and placed an administrative hold on unescorted access of those employees at FNP who had taken tests administered by the proctor since January 1, 2014. SNC then re-tested each of these persons to ensure that they were qualified to perform their jobs. Each person also participated in an interview with the Investigators about their knowledge of potential testing misconduct or other improprieties. SNC restored unescorted access and qualifications only after the vendor employees passed the relevant examinations and participated in an interview.
 - SNC also placed on administrative hold the unescorted access of the vendor employees at other SNC locations and three SNC employees (former employees of the vendor) who took tests administered by the proctor. The investigators also interviewed these

employees and SNC required them to successfully pass re-testing before restoring their qualifications and unescorted access.

- FNP removed the proctor qualifications for all supplemental personnel proctors on all SNC plant sites. In their place, FNP assigned qualified SNC personnel to serve as proctors for all contractor testing performed on-site. Supplemental personnel have since been allowed to proctor examinations based on completion of all corrective actions.
 - As the investigation progressed, individuals were terminated (including a contract general superintendent, mechanical supervisor, and project manager) based on their lack of action after being informed of the proctor integrity lapse. The contract proctor in question resigned in February, 2015 during the investigation.
- b. Prior to this incident, a business decision was made to re-bid for the services that the contractor was providing. The bid specification for a replacement vendor included requirements for information related to the bidder programs on safety conscious work environment, safety culture, ethics, and standards. As a result of the overall bid process, the commercial agreement with the incumbent contractor was ended and a new contractor was hired. The relevant programs for the new vendor were reviewed and found to be adequate. SNC has actions in place to monitor performance of the new vendor in these areas.
- c. Proctor qualification and training was revised to emphasize trust and integrity, consequences of exam compromise, and the requirements of 10 CFR 50.5 and 50.9. Training was provided to all SNC personnel on the requirements of 10 CFR 50.5 and 50.9.
- d. Corrective action program cause evaluations from the previous four years were sampled to evaluate if there exists (1) issues related to willful misconduct that were not evaluated and resolved at the precursor level and (2) issues that potentially involve integrity that were not evaluated and resolved at the precursor level.
- e. Fleet-wide communications to include:
- Reinforcing standards of giving or receiving assistance while taking exams and that any wrongdoings must be reported
 - Clearly emphasizing the obligation to be honest and trustworthy in test taking and other activities
 - Discussion of recent lapses in integrity across the fleet to include deliberate misconduct
 - INPO "safety culture trait" discussions regarding trust and integrity
- f. During outage periods involving supplemental personnel, the site increases observations regarding adherence to safety culture attributes of conservative decision making and personal accountability.

4. Corrective Steps That Will Be Taken

All corrective actions to regain compliance have been taken. Actions were established to perform two interim effectiveness reviews and one final effectiveness review at intervals of one, two and three years from the closure of the root cause (August 2015). The first of these was

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completed in August 2016. The remaining interim and the final effectiveness reviews are scheduled for completion in August 2017 and August 2018, respectively.

5. Date When Full Compliance Will be Achieved

Full compliance was achieved by February 2015 with the requalification and training records updated of workers proctored by the contract individual in question.