

August 9, 2007  
RN-07-041  
Revision 2

OFFICE OF ENFORCEMENT  
NOTIFICATION OF SIGNIFICANT REGULATORY ACTION

Licensee: Southern Nuclear Operating Company, Inc. (EA-07-155)  
Joseph M. Farley Nuclear Plant, Units 1 and 2  
Docket Nos. 05000348 and 05000364

Subject: ISSUANCE OF A PARALLEL PERFORMANCE INDICATOR INSPECTION  
FINDING (WHITE)

This is to inform the Commission that a parallel performance indicator (PI) inspection finding (White) will be issued on or around August 14, 2007, to Southern Nuclear Operating Company as a result of inspections at the Joseph M. Farley Nuclear Plant. An earlier version of this RN was issued on June 26, 2007 (RN-07-041, ML071770587), but issuance of the finding was delayed while Region II resolved the documentation of emergent technical issues related to the licensee's corrective actions (see RN-07-041, Revision 1, ML071840286).

This parallel White finding was identified during a supplemental inspection to assess the licensee's evaluation associated with unreliability and unavailability reporting in the Support Cooling Water Systems PI within the Mitigating Systems Performance Index (MSPI). Failures of the licensee's existing safety-related breakers associated with this PI predominantly contributed to the indicator crossing the threshold to White in the second quarter of 2006. This PI was subsequently reported Green in the 3<sup>rd</sup> quarter of 2006.

The supplemental inspection for the White PI identified significant weaknesses related to the thoroughness and quality of several root cause evaluations that challenged the licensee's ability to implement effective overall corrective actions. The licensee's evaluations of the individual failures that contributed to the White PI did not effectively review for systemic aspects of circuit breaker failures. In addition, more recent problems were identified concerning the thoroughness of design reviews for the installation of new breakers. Based on these NRC-identified weaknesses, a parallel PI inspection finding (White) will be opened to allow the NRC to continue to monitor activities in this area. In addition, one finding of very low safety significance (Green) was identified with two examples of 10 CFR 50, Appendix B, Criterion XVI, for failing to promptly identify and correct conditions adverse to quality. These issues also provided a basis, in part, for the NRC's identification of the parallel White inspection finding.

In accordance with NRC Inspection Manual Chapter (IMC) 0305, a parallel PI inspection finding is appropriate for significant weaknesses in the licensee's evaluation of a performance issue that is associated with a PI. A parallel inspection finding provides for NRC's continued review of the licensee's actions to address the significant weaknesses identified during the inspection. In accordance with IMC 0305, this parallel finding takes the color of the original PI. A parallel

inspection finding does not result in a regulatory conference with the licensee, nor is it subject to the ROP formal appeal process. This parallel White finding will be applied to the NRC Action Matrix until the finding is closed by the NRC.

It should be noted that the licensee has not been specifically informed of the regulatory action.

The schedule of issuance and notification is:

Mailing of Parallel White Finding	August 14, 2007
Telephone Notification of Licensee	August 14, 2007

The State of Alabama will be notified.

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