



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, IL 60532-4352

April 7, 2010

EA-09-297

Mr. Larry Meyer
Site Vice-President
NextEra Energy Point Beach, LLC
6610 Nuclear Road
Two Rivers, WI 54241

**SUBJECT: POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2 INSPECTION REPORT
05000266/2010-010 AND 05000301/2010-010 CONTAINING RESULTS OF
NRC INVESTIGATION REPORT NO 3-2009-011 AND NOTICE OF VIOLATION**

Dear Mr. Meyer:

On February 17, 2010, the U.S. Nuclear Regulatory Commission (NRC) completed an in-office inspection at your Point Beach Nuclear Plant, Units 1 and 2. The purpose of the inspection was to review the facts and circumstance surrounding completion of ignition control permits. The inspection also reviewed the results of an investigation by the NRC's Office of Investigations (OI), which was completed on November 24, 2009. The enclosed report documents the inspection and investigation results, which were discussed on February 19 and 25, 2010, with Mr. J. Costedio and members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations, and with the conditions of your license. The NRC reviewed selected procedures and records and interviewed your personnel.

Based on the results of the inspection and investigation by the NRC's OI, and the following consultation with the Director, Office of Enforcement, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at (<http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>).

The violation is cited in the enclosed Notice of Violation (NOV) and the circumstances surrounding it are described in detail in the subject inspection report. The violation is being cited in the Notice because it involved the willful actions of contract individuals, one of whom held a supervisory position, and the violation was NRC-identified.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements. In particular, the NRC is interested in any safety culture issues associated with performance of ignition control permit walkdowns.

L. Meyer

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response (if any), will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Robert Daley, Chief
Engineering Branch 3
Division of Reactor Safety

Docket Nos. 50-266; 50-301
License Nos. DPR-24; DPR-27

Enclosures:

1. Notice of Violation
2. Inspection Report 05000266/2010-010; 05000301/2010-010
w/Attachment: Supplemental Information

cc w/encl: Distribution via ListServ

NOTICE OF VIOLATION

NextEra Energy Point Beach, LLC
Point Beach Nuclear Plant, Units 1 and 2

Docket Nos. 50-266; 50-301
License Nos. DPR-24, DPR-27
EA-09-297

During a U.S. Nuclear Regulatory Commission (NRC or Commission) investigation completed on November 24, 2009, and an NRC inspection completed on February 17, 2010, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

Title 10 CFR 50.9(a) requires, in part, that information required by the Commission's regulations, orders, or license conditions to be maintained by the licensee shall be complete and accurate in all material respects.

Technical Specification, Section 5.4.1.h, requires that written procedures be established, implemented, and maintained covering fire protection implementation. As part of its fire protection implementation, Point Beach has procedures addressing ignition control.

Point Beach Procedure NP 1.9.13, "Ignition Control Procedure," Revision 13, Step 3.0, identified the responsibilities for the individuals performing as an Ignition Control Permit (ICP) authorized person. Step 3.1.3 stated that the ICP authorized person shall visit the site initially and each shift prior to hot work commencing to ensure that flammable and combustible materials are removed or adequately protected from the hot work activities. Step 4.2 also specified that the ICP authorized person shall visit the work site. A Note immediately preceding Step 4.2 required that the activities in Section 4.2 be documented on Form PBF 0068 each shift prior to commencing hot work. Step 4.5 indicated that the authorized person shall forward the ICP to the Work Control Center (WCC) for approval.

Ignition Control Permit Form PBF 0068, Section 3.0 "Authorization" required the authorized person's signature prior to the approval of the permit in Section 4, "Approval."

Contrary to the above, on October 17, 20, and 28, 2008, the licensee failed to maintain complete and accurate information required by the Commission in all material respects. Specifically,

- a. On October 17, 2008, a contract foreman, who was not an ICP authorized person, signed his supervisor's initials on an ICP (Form PBF 0068) without an ICP authorized person visiting the work site;
- b. On October 20, 2008, a contract foreman signed his own initials on an ICP (Form PBF 0068) without an ICP authorized person visiting the work site;
- c. On October 28, 2008, a contract supervisor, who was an ICP authorized person, initialed two ICPs (Form PBF 0068) without visiting the work site; and

- d. On October 25, 2008, a Point Beach Nuclear Plant lead maintenance mechanic, who was an ICP authorized person, signed an ICP without visiting the work site after learning that another ICP authorized person had performed the required inspection and no problems were identified.

This is a Severity Level IV violation (Supplement VII).

Pursuant to the provisions of 10 CFR 2.201, NextEra Energy Point Beach, LLC, is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region III, and a copy to the NRC Resident Inspector at the Point Beach facility, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation; EA-09-297," and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level; (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. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an Order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>, to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 7 day of April 2010.

U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket Nos: 50-266; 50-301

License Nos: DPR-24; DPR-27

Report No: 05000266/2010-010; 05000301/2010-010

Licensee: NextEra Energy Point Beach, LLC

Facility: Point Beach Nuclear Plant, Units 1 and 2

Location: Two Rivers, WI

Dates: February 17, 2010

Inspector: A. Dahbur, Senior Reactor Inspector

Approved by: R. Daley, Chief
Engineering Branch 3
Division of Reactor Safety

SUMMARY OF FINDINGS

Inspection Report (IR) 05000266/2010-010, 05000301/2010-010; February 17, 2010; Point Beach Nuclear Plant, Units 1 and 2; results of NRC Investigation Report No. 3-2009-011.

A. NRC-Identified and Self-Revealed Findings

Cornerstone: Mitigating Systems

- Severity Level IV. A Severity Level IV, Cited Violation of 10 CFR 50.9(a) "Completeness and Accuracy of Information," was identified by the inspectors for the licensee's failure to maintain complete and accurate information required by the Commission. Specifically, a Point Beach Nuclear Plant employee and two contract employees from Day and Zimmermann Nuclear Power Services, signed Ignition Control Permits without the authorized person inspecting the areas as required by the ignition control procedure NP 1.9.13.

The violation affected the NRC's ability to perform its regulatory function because it involved willfulness. Therefore, it was evaluated using Traditional Enforcement. The NRC determined that a Severity Level IV violation was appropriate due to the willful nature of some violation examples. The NRC determined that the violation should be cited because: (1) the violation was NRC-identified; and (2) it was willful; and (3) it involved a first-line supervisor.

B. Licensee-Identified Violations

No violations of significance were identified.

REPORT DETAILS

4. OTHER ACTIVITIES

4OA5 Other Activities

.1 Review of Office of Investigation Report (EA-09-297)

a. Inspection Scope

The inspection and investigation was conducted to determine if licensee and Day and Zimmermann Nuclear Power Services (DZNPS) employees willfully signed ignition control permits (ICPs) without visiting the areas, as required by procedure.

b. Findings

Introduction: Severity Level IV, Cited Violation of 10 CFR 50.9 was identified by the NRC for the licensee's failure to maintain information required by the Commission complete and accurate in all material respects. Specifically, on several occasions, a Point Beach Nuclear Plant individual and two DZNPS contract employees failed to provide complete and accurate information during the performance of NP 1.9.13, "Ignition Control Procedure," Revision 13, Step 3.0 and Step 4.2, in that, the individuals signed ICPs without the authorized person initially inspecting the areas.

Description: Procedures Manual NP 1.9.13, provided guidance, requirements, and administrative controls to positively control welding, cutting, grinding, and open flame or spark producing operations hot work at Point Beach Nuclear Plant. The followings steps provided the responsibilities of the authorized person and the order in which the ICP, Form PBF-0068, was to be completed:

- a) Step 3.1.3 "Responsibilities – Ignition Control Permit Authorized Person," stated that the authorized person was to visit the site initially and each shift prior to hot work commencing to ensure that flammable and combustible materials were removed or adequately protected from the hot work activities.
- b) Step 4.2, Procedure Section, stated that the authorized person shall visit the work site and ensure that a list of five precautions has been completed.
- c) Step 4.5, Procedure Section, indicated that the authorized person shall forward the ICP to the Work Control Center (WCC) for approval.

Based on the order of the procedure steps, the inspectors determined that the authorized person was required to visit and inspect the work site initially prior to signing the permit and forwarding it to the WCC for approval.

The NRC identified a concern with signatures on ICPs. The NRC requested information from the licensee regarding the extent of the concern. The licensee reviewed 187 ICPs, dating from September 3 through November 3, 2008. During the review, the licensee verified that, on several instances, ICPs were not completed as required per NP 1.9.13. The licensee's review included comparison of permit approval dates to records of card reader entries for the authorized person. Subsequently, the licensee initiated corrective

actions (CAPs) documents related to several discrepancies that were identified during the review: CAP 1139647, 1139326, 1139342, and 1139343. The licensee's immediate corrective actions focused on procedural guidance and enhancements to NP 1.9.13, and ICP Form PBF-0068, clarifying that only a person who has received the "Authorized Person" training was authorized to sign on Section 3 of the permit and the authorized person could only sign the permit only after having made an initial visit to the work site. The licensee also took corrective actions in regard to the personnel involved. Based on the information provided by the licensee, the NRC initiated an investigation into the facts surrounding the issue. On November 24, 2009, the NRC Office of Investigations (OI) completed its investigation. The NRC concluded that the actions of a PBNP employee, who signed an ICP on October 25, 2008, without visiting the work site, was not willful because the employee had discussed the situation with his supervisor, and another employee, who was ICP qualified, visited the site. Nevertheless, the NRC concluded that this was a violation of the procedure as written.

The NRC concluded that two contract employees from DZNPS, a supervisor and a foreman deliberately falsified ICP paperwork. Specifically, the NRC determined that a DZNPS supervisor deliberately instructed the DZNPS foreman to falsify the supervisor's initials on an October 17, 2008, ICP. Following this, on October 28, 2008, the supervisor deliberately signed two additional ICPs while knowing that he was required to visit the work area and had not. Additionally, on October 20, 2008, the DZNPS foreman signed his own initials on an ICP, without ascertaining whether he was qualified to sign the ICP. This resulted in the failure to perform an inspection of the work site by an ICP qualified person.

Analysis: The inspectors determined that the failure to provide complete and accurate information on the ICPs was contrary to 10 CFR 50.9(a) and was a performance deficiency. Because the violation involved willfulness and potentially could impede or impact the regulatory process, the issue was dispositioned using the traditional enforcement process. In accordance with Section IV.A.4 of the Enforcement Policy, willful violations are of particular concern to the NRC because the NRC's regulatory program is based on licensees, and their contractors, and employees acting with integrity and communicating with candor. Therefore, a violation may be considered more significant than the underlying noncompliance if it includes indications of willfulness.

In this case, the underlying technical issue was minor, since there was little to no actual safety consequences, because, in all cases, individuals who were fire-watch-qualified completed the inspections and were present when the hot work was done.

Enforcement: A Severity Level IV violation of 10 CFR 50.9(a) was identified and is cited in the Notice of Violation. The violation was cited because it was willful, it was not identified by the licensee and it involved licensee officials (first-line supervisory position), consistent with Sections IV and VI of the NRC Enforcement Policy (VIO 05000266/2010010-01; 05000301/2010010-01, Inaccurate Information Relating to Signatures on Ignition Control Procedures).

4OA6 Management Meetings

.1 Exit Meeting Summary

On February 19 and 25, 2010, the inspectors discussed the inspection and investigation results for the issue of failing to follow the controlling procedure for ignition control permits with Mr. J. Costedio, and other member of the licensee's staff via telephone. The inspectors confirmed that none of the potential report input discussed was considered proprietary.

ATTACHMENT: SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION

KEY POINTS OF CONTACT

Licensee

J. Castedio, Nuclear Licensing Manager/Regulatory Affairs Manager
F. Flentje, Regulatory Affairs Supervisor
C. Trsziss, Engineering Director

Nuclear Regulatory Commission

S. Burton, Senior Resident Inspector
R. Daley, EB-3 Branch Chief

LIST OF ITEMS OPENED, CLOSED AND DISCUSSED

Opened

05000266/2010010-01 05000301/2010010-01	VIO	Inaccurate Information Relating to Signatures on Ignition Control Procedures
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Closed and Discussed

None

LIST OF DOCUMENTS REVIEWED

The following is a list of documents reviewed during the inspection. Inclusion on this list does not imply that the NRC inspectors reviewed the documents in their entirety, but rather, that selected sections of portions of the documents were evaluated as part of the overall inspection effort. Inclusion of a document on this list does not imply NRC acceptance of the document or any part of it, unless this is stated in the body of the inspection report.

PROCEDURES

<u>Number</u>	<u>Description or Title</u>	<u>Revision</u>
NP 1.9.13	Ignition Control Procedure	13 & 15
PBF-0068	Ignition Control Permit (including completed forms on October 17, 20, 25, and 28, 2008)	3 & 4

CORRECTIVE ACTIONS

<u>Number</u>	<u>Description or Title</u>	<u>Date</u>
AR 01139326	NP 1.9.13 Ignition Control Permit Procedure Irregularities	November 06, 2008
AR 01139342	NP 1.9.13 Ignition Control Permit Procedure Irregularities	November 06, 2008
AR 01139343	Lack of Process to Communicate Procedure When Revision Occur	November 06, 2008
AR 01139647	Compliance/Procedure Issues with Ignition Control Procedure	November 11, 2008

LIST OF ACRONYMS USED

ADAMS	Agencywide Document Access Management System
CAP	Corrective Action Program
CFR	Code of Federal Regulations
DZNPS	Zimmerman Nuclear Power Services
ICP	Ignition Control Permit
IMC	Inspection Manual Chapter
NRC	Nuclear Regulatory Commission
OI	Office of Investigation
PBNP	Point Beach Nuclear Plant
SL	Severity Level
VIO	Violation
WCC	Work Control Center

L. Meyer

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Sincerely,

/RA/
Robert Daley Chief
Engineering Branch 3
Division of Reactor Safety

Docket Nos. 50-266; 50-301
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SUBJECT: POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2 INSPECTION REPORT
05000266/2010-010 AND 05000301/2010-010 CONTAINING RESULTS OF
NRC INVESTIGATION REPORT NO 3-2009-011 AND NOTICE OF VIOLATION

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