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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

September 14, 2012

Mr. T. A. Lynch
Vice President
Southern Nuclear Operating Company, Inc.
Joseph M. Farley Nuclear Plant
P.O. Drawer 470, BIN B500
Ashford, AL 36312

SUBJECT: JOSEPH M. FARLEY NUCLEAR PLANT - U.S. NUCLEAR REGULATORY COMMISSION INSPECTION PROCEDURE 95001 SUPPLEMENTAL INSPECTION REPORT 05000348/2012405 AND 05000364/2012405, AND CLOSED REGULATORY PERFORMANCE AND ANNUAL ASSESSMENT MEETING

Dear Mr. Lynch:

On August 16, 2012, the U.S. Nuclear Regulatory Commission (NRC) staff completed a supplemental inspection pursuant to Inspection Procedure 95001, "Inspection for One or Two Greater than Green Inputs in a Strategic Performance Area," at your Farley Nuclear Plant, Units 1 and 2. The enclosed inspection report documents the inspection results which were discussed at the exit meeting on August 16, 2012, with Mr. T. Lynch and other members of your staff.

As required by the NRC Reactor Oversight Process Action Matrix, this supplemental inspection was performed because a finding of Greater than Green safety significance was identified in the 4th quarter of 2011. The violation was previously documented in a Final Significance Determination for a Security-Related Greater than Green Finding and Notice of Violation; Farley Nuclear Plant, NRC Inspection Report 05000348, 364/2011202, dated April 16, 2012. The NRC staff was informed on May 21, 2012, of your staff's readiness for this inspection.

The objectives of this supplemental inspection were to provide assurance that: (1) the root and the contributing causes for the risk-significant issues were understood; (2) the extent of condition and extent of cause of the issues were identified; and (3) corrective actions were or will be sufficient to address and preclude repetition of the root and contributing causes.

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The inspection consisted of examination of activities conducted under your license as they related to safety, compliance with the Commission's rules and regulations, and the conditions of your operating license. The inspectors determined that your staff performed a comprehensive evaluation of the Greater than Green finding. Your staff's evaluation identified the primary root cause associated with the finding to be: (1) Licensee did not provide adequate management oversight of the target set analysis process to ensure changes in procedures/processes improved with increasing standards.

Your staff also identified two contributing causes associated with the finding as: (1) Human performance deficiency existed in the lack of use of Knowledge Worker Tools when performing target set analysis; and (2) Lack of use of Performance Improvement tools (i.e., Self-assessment, and operating experience).

The NRC determined that the root cause and corrective actions taken to address the violation and prevent recurrence appear to be adequate. The inspection objectives of IP 95001 have been satisfied. The Greater than Green finding for the failure to maintain complete and accurate Target Sets in accordance with regulatory requirements is considered closed.

Based on the results of this inspection, no findings were identified.

Additionally, as discussed in the NRC meeting announcement dated June 11, 2012, a Regulatory Performance meeting was conducted on August 16, 2012, to discuss the results of the Annual Assessment letter issued on March 5, 2012. The NRC exit meeting and the Regulatory Performance meeting were not open to the public.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system, ADAMS. ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRCs

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Sincerely,

/RA/

Binoy B. Desai, Chief
Plant Support Branch 2
Division of Reactor Safety

Docket No. 50-348, 50-364
License No. NPF-2, NPF-8

Enclosure:
Inspection Report 05000348/2012405 and
05000364/2012405 w/Att.: Supp Info. **(OUO)**

cc w/encl.: (See page 4)

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Sincerely,

/RA/

Binoy B. Desai, Chief
Plant Support Branch 2
Division of Reactor Safety

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