



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

July 16, 2013

Mr. Thomas A. Fanning
President and Chief Executive Officer
Southern Nuclear Operating Company
30 Ivan Allen Jr. Blvd., NW
Atlanta, GA 30308

SUBJECT: JOSEPH M. FARLEY NUCLEAR PLANT - AUDIT OF THE LICENSEE'S
MANAGEMENT OF REGULATORY COMMITMENTS

Dear Mr. Fanning:

The U.S. Nuclear Regulatory Commission (NRC) informed licensees in Regulatory Issue Summary (RIS) 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments. RIS 2000-17 encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The NRC Office of Nuclear Reactor Regulation has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04 and that regulatory commitments are being effectively implemented.

An audit of Joseph M. Farley Nuclear Plant (FNP), Units 1 and 2, commitment management program was performed at the plant site in Columbia, Alabama on June 13 and 14, 2013. The NRC staff concludes, based on the audit, that (1) Southern Nuclear Operating Company (the licensee) has implemented NRC commitments on a timely basis, and (2) the licensee has implemented an effective program for managing NRC commitment changes. Details of the audit are set forth in the enclosed audit report.

T. Fanning

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Joseph M. Farley Nuclear Plant uses a Commitment Tracking System (Maximo). The Licensee discovered during preparation for this audit that Maximo does not have the capability of documenting when commitments have changed or have the capability of searching for revised commitments. A Condition Report (CR) was generated to document process gaps discovered in the commitment management program during a check in assessment and preparation for the NRC Commitment Audit. No commitments have been missed. The licensee recognized through self-assessment that some process issues exist that need corrective action to ensure proper commitment tracking. Individual CR's have been written to correct specific issues discovered.

The NRC staff appreciates the resources that were made available by your staff, both before and during the audit. If there are any questions, I can be contacted at (301) 415-1438.

Sincerely

A handwritten signature in black ink, appearing to read 'K. Cotton Gross', with a long horizontal line extending to the right.

for
Karen Cotton Gross, Project Manager
Plant Licensing Branch 2-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No(s). 50-348 and 50-364

Enclosure:
Audit Report

cc: Listserv



UNITED STATES
NUCLEAR REGULATORY COMMISSION
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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION

LICENSEE MANAGEMENT OF REGULATORY COMMITMENTS

JOSEPH M. FARLEY NUCLEAR PLANT UNIT NOS. 1 AND 2

DOCKET NOS. 50-348 AND 50-364

1.0 INTRODUCTION AND BACKGROUND

The U.S. Nuclear Regulatory Commission (NRC) informed licensees in Regulatory Issue Summary (RIS) 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments. RIS 2000-17 encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC. NEI-99-04 defines a "regulatory commitment" as an explicit statement to take a specific action agreed to, or volunteered by, a licensee and submitted in writing on the docket to the NRC.

The NRC Office of Nuclear Reactor Regulation (NRR) has instructed its staff to perform an audit of licensees' commitment management programs once every 3 years to determine whether the licensees' programs are consistent with the industry guidance in NEI 99-04, and that regulatory commitments are being effectively implemented. An audit of the Joseph M. Farley Nuclear Plant commitment management program was performed at plant site on June 13 and 14, 2013. The audit reviewed commitments made since the previous audits on October 27 and 28, 2008.

NRR guidelines direct the NRR Project Manager to audit the licensee's commitment management program by assessing the adequacy of the licensee's implementation of a sample of commitments made to the NRC in past licensing actions (amendments, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.).

Enclosure

2.0 AUDIT PROCEDURE AND RESULTS

The audit consisted of three major parts: (1) verification of the licensee's implementation of NRC commitments that have been completed, (2) verification of the licensee's program for managing changes to NRC commitments and (3) verification that all regulatory commitments reviewed were correctly applied in NRC staff licensing action reviews.

2.1 Verification of Licensee's Implementation of NRC Commitments

The primary focus of this part of the audit is to confirm that the licensee has implemented commitments made to the NRC as part of past licensing actions/activities. For commitments not yet implemented, the NRC staff determines whether they have been captured in an effective program for future implementation. The audit also verifies that the licensee's commitment management system includes a mechanism to ensure traceability of commitments following initial implementation. This ensures that licensee personnel are able to recognize that future proposed changes to the affected design features or operating practices require evaluation in accordance with the commitment change control process.

2.1.1 Audit Scope

The audit addressed a sample of commitments made during the review period. The audit focused on regulatory commitments (as defined above) made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Commitments made in Licensee Event Reports or in response to Notices of Violation may be included in the sample, but the review will be limited to verification of restoration of compliance, not the specific methods used. Before the audit, the NRC staff searched ADAMS for the licensee's submittals from the last 3 years and selected a representative sample for verification.

The audit excluded the following types of commitments that are internal to licensee processes:

- (1) Commitments made on the licensee's own initiative among internal organizational components.
- (2) Commitments that pertain to milestones of licensing actions/activities (e.g., respond to an NRC request for additional information by a certain date). Fulfillment of these commitments was indicated by the fact that the subject licensing action/activity was completed.
- (3) Commitments made as an internal reminder to take actions to comply with existing regulatory requirements such as regulations, Technical Specifications (TSs), and Updated Final Safety Analysis Reports. Fulfillment of these commitments was indicated by the licensee having taken timely action in accordance with the subject requirements.

2.1.2 Audit Results

The attached Audit Summary provides details of the audit and its results.

The NRC staff found that detailed processes are outlined by which the licensee carries out obligations under its regulatory commitments. Changes to obligatory commitments are reported to the NRC in accordance with the recommendations of LIC-105.

Based on the results of the on-site audit, the NRC staff believes the licensee has implemented regulatory commitment changes appropriately, in accordance with LIC-105 and consistent with NEI 99-04.

2.2 Verification of the Licensee's Program for Managing NRC Commitment Changes

The primary focus of this part of the audit is to verify that the licensee has established administrative controls for modifying or deleting commitments made to the NRC. The NRC staff compared the licensee's process for controlling regulatory commitments to the guidelines in NEI 99-04, which the NRC has found to be an acceptable guide for licensees to follow for managing and changing commitments. The licensee transitioned from a Site procedure (FNP-0-SYP-21.0, Version 2.0, 3.0 and 4.0) to a Fleet procedure (NMP-GM-019, Version 1.0, 2.0, 2.1 and 2.2) in 2011. The Commitment Tracking System (Maximo) is part of the fleet procedure and used at FNP. The audit reviewed a sample of commitment changes that included changes that were or will be reported to the NRC, and changes that were not or will not be reported to the NRC.

2.2.1 Audit Results

The attached Audit Summary also provides details of this portion of the audit and its results. The NRC staff found that the licensee uses its Commitment Tracking System (Maximo) to conform to NEI 99-04 guidelines for commitment tracking, commitment change process, traceability of commitments, and reporting requirements. The Licensee discovered during preparation for this audit that Maximo does not have the capability of documenting when commitments have changed or have the capability of searching for revised commitments. A Condition Report (CR) was generated to document process gaps discovered in the commitment management program during a check in assessment and preparation for the NRC Commitment Audit. No commitments have been missed. The licensee recognized through self-assessment that some process issues exist that need corrective action to ensure proper commitment tracking.

2.3 Review to Identify Misapplied Commitments

The commitments reviewed for this audit were also evaluated to determine if they had been misapplied. A commitment is considered to be misapplied if the action comprising the commitment was relied on by the NRC staff in making a regulatory decision such as a finding of public health and safety in an NRC safety evaluation associated with a licensing action. Reliance on an action to support a regulatory decision must be elevated from a regulatory commitment to a legal obligation (e.g., license condition, condition of a relief request, regulatory exemption limitation or condition). A commitment is also considered to have been misapplied if the commitment involves actions that were safety significant (i.e., commitments

used to ensure safety).

Each of the commitments selected for the audit sample were reviewed to determine if any had been misapplied. No misapplied commitments that were identified.

2.3.1 Review of Safety Evaluation Reports for Licensing Actions since the Last Audit to Determine if They Are Properly Captured as Commitments or Obligations

In addition to the commitments selected for the audit sample, all license amendment safety evaluations, exemptions and relief request safety evaluations that have been issued for a facility since the last audit were identified. These documents were evaluated to determine if they contained any misapplied commitments as described above.

3.0 CONCLUSION

Based on the results of the audit, the NRC staff concludes that the licensee has implemented the regulatory commitments management program effectively, and implemented regulatory commitment changes appropriately, in accordance with LIC-105 and consistent with NEI 99-04.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

William N. Arnes
Lisa B. Hogg
Stephanie Agee
Ray Anthony Bryant

Principal Contributors: Karen Cotton Gross

Date: July 16, 2013

Attachment: Summary of Audit Results

AUDIT SUMMARY

Joseph M. Farley Nuclear Plant, Units 1 and 2

List of Open Farley Commitments

FARLEY COMMITMENT NO.	DESCRIPTION OF COMMITMENT	IMPLEMENTATION STATUS
SNC28426	FNP will submit an inspection plan for the NiCrFe Component Assessment Program for NRC review and approval at least 24 months prior to entering the periods of extended operation for the FNP units.	<p>A license renewal implementation package has been provided to the personnel responsible for this program. The implementation package lists program requirements and NRC commitments; and provides recommendations for a new draft procedure and an action item to address the license renewal requirements. Letter LR-05-1623 transmitted the implementation package.</p> <p>Per the License Renewal SER, the inspection plan will be submitted in the form of a license amendment request. After NRC approval, future changes to the program may be performed under the 50.59 process.</p>
SNC28427	SNC will continue to participate in industry initiatives (such as the Westinghouse Owners Group and EPRI Materials Reliability Program). Susceptibility rankings and program inspection requirements will be consistent with the latest version of the EPRI Materials Reliability Program safety assessment regarding Alloy 82 / 182 pipe butt welds or its successors.	FNP will submit an inspection plan for the Nickel Alloy Management Program for NRC review and approval at least 24 months prior to entering the periods of extended operation for the FNP units (commitment 10713). Per the License Renewal SER, the inspection plan will be submitted in the form of a license amendment request. After NRC approval, future changes to the program may be performed under the 50.59 process

SNC28430	<p>The application of environmental factors results in adjusted cumulative usage factors exceeding 1.0 for the charging nozzles & alternate charging nozzles and the RHR 6 NPS RHR/SI nozzles to the RCS cold leg. For these locations, SNC will take corrective actions prior to the period of extended operation. These actions may include a more refined analysis, repair, replacement, or an NRC approved inspection program. If the option to pursue an inspection program is selected, SNC will submit a license amendment request to obtain the required NRC approval.</p>	<p>Structural Integrity Associates, Inc. (SI) was contracted to develop stress-based fatigue modules for the Plant Farley FatiguePro fatigue monitoring software under purchase order SN040170. SI developed the stress-based modules and analyzed available plant data. They were able to show the 6-inch RHR/SI nozzles to the Reactor Coolant System cold leg have a projected 60-year fatigue usage of 0.034 for Unit 1 and 0.027 for Unit 2. Applying the maximum environmental factor (Fen) of 15.35, the Unit 1 projected usage is 0.5219 and the Unit 2 projected usage is 0.4145. Both of these values are less than the required limit of 1.0 so this action item is completed for the 6-inch RHR/SI nozzles to the Reactor Coolant System cold leg.</p> <p>Because there were a large number of charging and letdown shutoff events on both units prior to 1984, SI was unable to show the normal or alternate charging nozzles to have a fatigue usage <1.0 with environmental factors considered. See Comment for more details. Since the License Renewal Project for Farley is closing, the remaining portion of this action item to show the charging nozzles have a fatigue usage <1.0 with environmental factors considered is being transferred to Farley Support.</p>
SNC28441	<p>SNC will test all in-scope instrumentation circuit cables with sensitive, high voltage, low-level signals which are installed in adverse environments at least once every 10 years. Testing will employ a proven cable system such as insulation tests, time domain reflectometry tests, or other tests judged to be effective in determining cable insulation condition. Acceptance criteria will be defined by the specific type of test performed and the specific cable tested.</p>	<p>System Engineer will be closing AI 2004205042 to AI 2004200219 assigned to Corporate to develop a fleet plan on addressing the test methods and equipment for periodically testing the health of Nuclear Instrumentation System cables and connectors. AI 2004205042 is basically a duplicate of AI 2004200219 and thus is the reason why history shows that this action items has been extended in conjunction with AI 2004200219 in the past. AI 2004200219 reads as follows: Vogtle and Farley should assess differences in current NIS detector testing practices used to determine detector health. Based on the predictive maintenance recommendations provided in WOG Technical Report RRS-VICO-02-326 and other applicable OEM recommendations, Vogtle and Farley should develop & implement SNC standardized PMs / testing practices for the NIS in-service and spare detectors. The Corporate ERIP group has been assigned to address this issue for the SNC fleet.</p>

SNC28546	SNC will trend for five years the cycle duties of safety-related 4160 volt AREVA Cutler Hammer breakers for unexpected wear mechanisms of the breaker or other indication of unexpected breaker performance	SNC trended for five years the cycle duties of safety-related 4160V AREVA Cutler Hammer breakers for unexpected wear mechanisms of the breaker or other indication of unexpected breakers performance. This task was completed on a quarterly basis under PM 1AD-40. Any discrepancies identified on these breakers related to age or duty cycle were reported and resolved via the Corrective Action Program and incorporated into Maintenance procedure FNP-0-EMP-1313.20 as necessary.
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Joseph M. Farley Nuclear Plant, Units 1 and 2

List of Farley Commitments changed (i.e., modified or deleted) for the last 3 years that were reported or will be reported to the NRC

FARLEY COMMITMENT NO.	COMMITMENT	RESOLUTION
SNC355091	SNC will examine the six reactor pressure vessel nozzle to safe-end welds per Farley unit under an augmented program which meets Code Case N-770-1. Farley will also meet the conditions specified in paragraphs (g)(6)(ii)(F)(2) through (g)(6)(ii)(F)(10) of the June 2011 rulemaking.	<p>The due date for the commitment is: "During upcoming Farley-1 outage (spring 2012) and upcoming Farley-2 outage (spring 2013) and for each subsequent outage as required by Code Case N-770-1."</p> <p>Per discussion with ISI personnel, only 3 of the 6 nozzle welds (hot leg nozzles) were inspected during the Spring 2012 Unit 1 outage and no nozzle welds are scheduled for the Unit 2 Spring 2013 outage.</p> <p>A search is underway by corporate ISI to identify any possible correspondence that subsequently altered the due date.</p> <p>This commitment is tracked in the Maximo commitment-tracking database as commitment # SNC355091 with a due date of 5/29/13.</p> <p>There exists NRC rulemaking regarding the required frequency of vessel nozzle weld inspections. Farley does appear to be in compliance with these rulemaking requirements and with code case N-770-1. Based on this, Farley appears to be in compliance with regulation and this does not appear to be a 10 CFR 50.9 violation (verification of this is pending).</p> <p>The NRC rulemaking may be justification for adjusting the due date of the commitment but does not supersede the commitment due dates. At present, this appears to be a missed commitment.</p> <p>The hot leg and cold legs RPV nozzles volumetric exams were last performed during the fall of 2007 refueling outage for Unit 1. Per the regulation and code case N-770-1, the hot legs would next required to be tested 5-years later or the spring 2012 refueling outage. The cold leg examination is required every 2 periods per code case 770; therefore, require examination during the fall 2013 refueling outage.</p>

		<p>during the fall 2013 refueling outage.</p> <p>For unit 2, both hot and cold legs were volumetrically inspected during the spring 2010 refueling outage. Hot leg exams are required in fall 2014 and cold leg exams are required in spring of 2016 per the regulations and code case N-770-1.</p> <p>Details: This CR is being generated to ensure commitment SNC355091 is included in the NRC submittal in fall of 2013 as a commitment that has been changed and needs to be reported to the NRC. Assign TE to Stephanie Agee, Corporate Licensing.</p>
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Joseph M. Farley Nuclear Plant, Units 1 and 2

Changed for the Last 3 Years that were evaluated as not needing to be reported to NRC

Farley	COMMITMENT	RESOLUTION
SNC28389	<p>Flux Detector Thimble Inspection Program eddy current test results will be trended and wear rates will be calculated. Results of the wall thickness measurements will be evaluated using a wear rate formula that is described in WCAP-12866. The wear rate formula will be used to determine that whether any flux detector thimble tube will exceed the through-wall wear limit before the next planned inspection. Examination frequency will be based upon these wear predictions.</p>	<p>Procedure FNP-0-SYP-22.0 "Flux Detector Thimble Inspection Program" was issued April 10, 2006.</p> <p>This is an older commitment that was resolved in our old database therefore, there was not a TE associated with it. The reason it is in this folder is an Engineer was making a change in the procedure and wanted the Commitment Coordinator to evaluate if her revision would result in a change to the commitment. It was determined that the revision would not result in a change to the commitment so this commitment is not one that changed in the past 3 years that was determined to not be reported to the NRC.</p>

Joseph M. Farley Nuclear Plant, Units 1 and 2

List of Farley Commitments that have been closed or initiated in the last 3 years

	COMMITMENT	RESOLUTION
SNC393496	Farley reply to a notice violation; NRC EA-11-225 A fleet procedure will be issued to establish a Security Oversight Group that will support governess and oversight over physical protection; e.g., force-on force and target set activities.	The 2012 annual TSAT review of the Target Set documents has been completed and approved per NMP-SE-015. The Target Set documents and FNP-0-SP-27 have both been revised to incorporate the manual operator action per this commitment. Both the Target Set Documents and version 5.0 of FNP-0-SP-27 will be effective as of Monday 7/16/2012. The approved procedure change of FNP-0-SP-27 replaces Security Temporary Order 007-2011 and OPS Standing Order S-2011-010.
SNC408225	Submit the NFPA 805 License Amendment Request to the NRC.	NL letter NL-12-1893 (NFPA 805 LAR) dated 9/25/12 was submitted to the NRC on 9/26/12.
SNC469922	U-1 Seismic Recommendation 2.3 Walkdown Commitment 2012.	Complete the remaining NTTF 2.3 Seismic walkdowns for inaccessible areas and provide the walkdown report to the NRC.

T. Fanning

- 2 -

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The NRC staff appreciates the resources that were made available by your staff, both before and during the audit. If there are any questions, I can be contacted at (301) 415-1438.

Sincerely,

/RA by VSreenivas for/

Karen Cotton Gross, Project Manager
Plant Licensing Branch 2-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No(s). 50-348 and 50-364

Enclosure:
Audit Report

cc: Listserv

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