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W3F1-2013-0072

10 CFR 2.201

December 18, 2013

U.S. Nuclear Regulatory Commission  
Attn: Document Control Desk  
Washington, DC 20555-0001

Subject: Reply to a Notice of Violation: EA-12-257  
Waterford Steam Electric Station, Unit 3  
Docket No. 50-382  
License No. NPF-38

Reference: 1) NRC letter to Entergy Operations, Inc. "Waterford Steam Electric  
Station, Unit 3 – NRC Integrated Inspection Report  
05000382/2013004," dated November 20, 2013 (ADAMS Accession  
No. ML13324B133)

Dear Sir or Madam:

In reference 1, the U.S. Nuclear Regulatory Commission (NRC) issued Notice of Violation EA-12-257 to Entergy Operations' Waterford Steam Electric Station, Unit 3 (Waterford 3).

Pursuant to the provisions of 10 CFR 2.201, Attachment 1 provides Waterford 3's reply to Notice of Violation EA-12-257.

This letter contains no new commitments.

If you have any questions or require additional information, please contact the Regulatory Assurance Manager, John Jarrell, at (504) 739-6685.

Sincerely,

JPJ/RJR

Attachment: Reply to Notice of Violation: EA-12-257

IEOI  
RGN IV

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**Attachment to W3F1-2013-0072**

**Reply to Notice of Violation: EA-12-257**

## Reply to Notice of Violation EA-12-257

In U.S. Nuclear Regulatory Commission (NRC) letter to Entergy Operations, Inc. "Waterford Steam Electric Station, Unit 3 – NRC Integrated Inspection Report 05000382/2013004," dated November 20, 2013 (ADAMS Accession No. ML13324B133), the NRC issued Notice of Violation EA-12-257 to Entergy Operations' Waterford Steam Electric Station, Unit 3 (Waterford 3).

Pursuant to the provisions of 10 CFR 2.201, this enclosure provides Waterford 3's reply to Notice of Violation EA-12-257.

### Description of Violation

#### *Violation*

Title 10 CFR, Part 21.21(a)(1) requires, in part, that entities subject to the regulations in this part shall evaluate deviations and failures to comply to identify defects associated with substantial safety hazards as soon as practicable, and except as provided in paragraph (a)(2) of this section, in all cases within 60 days of discovery, in order to identify a reportable defect that could create a substantial safety hazard, were it to remain uncorrected.

Title 10 CFR, Part 21.21(a)(2) requires, in part, that entities subject to the regulations in the part shall ensure that if an evaluation of identified deviation or failure to comply potentially associated with a substantial safety hazard cannot be completed within 60 days from discovery of the deviation or failure to comply, an interim report is prepared and submitted to the Commission. The interim report must be submitted in writing within 60 days of discovery of the deviation of failure to comply.

Contrary to the above, from December 14, 2008 to April 29, 2010, the licensee failed to evaluate deviations and failures to comply to identify defects associated with substantial safety hazards as soon as practicable and to submit a report or interim report within 60 days of its discovery, in order to identify a reportable defect or failure to comply that could create a substantial safety hazard, were it to remain uncorrected.

Specifically, on October 14, 2008, the licensee performed bench testing on an Agastat E7024PB relay with date code 0835 and noted that the relay had a loose terminal point. Two more relays were obtained from the warehouse; one of these also had a bad terminal point. On October 27, 2008, the licensee quarantined the remaining four relays in stock. Two of these quarantined relays were identified to have similarly deficient terminal points. The licensee identified these relays as "defective" and returned them to the manufacturer, for cause evaluation. All four affected relays shared a date code of 0835. On January 28, 2009, the licensee received a report from the manufacturer, which did not provide a cause evaluation. On August 18, 2009, the licensee submitted Licensee Event Report 2009-003-00, (ML092310548). This Licensee Event Report did not mention the date code 0835 relays or loose terminal points. Rather, the Licensee Event Report described relays that failed due to incorrect adjustment of terminal blocks, a deviation different from that observed in the 0835 date code relays. On April 29, 2010, the licensee issued updated Licensee Event Report 2009003-01 (ML101230323). This revision to the Licensee Event Report described loose terminal points on two spare date

code 0835 relays as one of the defects identified in its Agastat E7024PB relays. The April 29, 2010, Licensee Event Report revision would have met Part 21 evaluation and reporting requirements, but it was 501 days late.

#### *End of Violation*

This violation was issued as a Traditional Enforcement Violation due to its impact on the regulatory process. The violation was assessed as Severity Level IV in accordance with the NRC's Enforcement Policy because the affected components were already removed from service as part of an unrelated manufacturer's recall. Cross-cutting aspects are not assigned to traditional enforcement violations.

Inspection Report 05000382/2013004, that accompanies the Notice of Violation, provides additional insight, indicating that though the licensee's initial actions to have the vendor perform an evaluation may have been appropriate, it was the licensee's responsibility and obligation under Part 21 to complete such an evaluation within 60 days of the initial discovery, or issue an interim report within 60 days of the initial discovery. The initial LER or Part 21 report should have been made in December 2008 (60 days after the date of discovery in October 2008). However, the Part 21 report that describes relay 0835 was made approximately 16 months later (April 2010). In April 2010, the licensee issued an updated LER 2009-003-01 (ML101230323). This revision discussed relay 0835 and listed loose terminal points on two spare relays as a Part 21 reportable defect.

#### **Reason for the Violation**

The apparent cause for the violation described above is that Waterford 3 did not implement an effective process to meet its responsibility and obligation under Part 21 to complete an evaluation to identify a reportable condition. Instead, Waterford 3 requested the component's supplier to perform the Part 21 evaluation. This was manifested in the following issues:

Procedural guidance in use at the time did not give specific responsibility to a site organization for ownership of the component failure analysis to ensure it was driven to completion.

At the time, it is believed there was a misconception that the vendor was primarily responsible for performing Part 21 evaluations for material that had not been installed in the plant. It is also believed there was a misconception that material with manufacturing issues that were not actually installed in the plant inherently did not pose an identifiable substantial safety hazard.

With the inadequate procedural guidance and process misconceptions discussed above, the corrective action tracking a review of the reportability for CR-WF3-2008-4782 was inappropriately closed on December 17, 2008. The closure stated "Licensing revisited reportability review and determined condition not reportable pursuant to 10CFR21. Degraded parts were not used in plant and Supplier QA Vendor CR review tracking potential manufacturer Part 21 issue."

Additionally, the vendor had determined that there was no Part 21 report required for the 0835 relays based on their evaluation dated April 24, 2009. This determination was communicated to Entergy Corporate Supplier QA where the response was accepted without further processing or review by the licensee, Waterford 3.

**Corrective Steps That Have Been Taken and the Results Achieved**

An Entergy Fleet procedure EN-LI-108-01, 10 CFR 21 Evaluations and Reporting was issued on September 23, 2010 that replaced the procedures in use at the time. This procedure establishes specific responsibilities for ownership of 10 CFR 21 Evaluations that maintains ownership with the licensee, Waterford 3 and requires evaluation of parts not installed in the plant. The procedure is effectively controlling Waterford 3's ownership of Part 21 evaluations.

Waterford 3 Licensee Event Report 2009-003-01 (ML101230323) submitted the Part 21 information associated with the loose terminals on the Agastat E7024PB relays with date code 0835. This LER was closed in NRC inspection report 05000382/2011004 (ML113180605).

Agastat E7024PB relays with date code 0835 have been removed from the plant and are no longer available for use at Waterford 3.

**Corrective Steps That Will Be Taken**

No additional corrective action is needed to address this violation.

**Date When Full Compliance Will Be Achieved**

Waterford 3 is currently in full compliance with Title 10 CFR, Parts 21.21(a)(1) and 21.21(a)(2).