



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

December 29, 2014

EA-14-003

Mr. Joseph W. Shea  
Vice President, Nuclear Licensing  
Tennessee Valley Authority  
1101 Market Street, LP 3D-C  
Chattanooga, TN 37402-2801

**SUBJECT: SEQUOYAH NUCLEAR PLANT – INSPECTION REPORT 05000327/2014008,  
05000328/2014008; INVESTIGATION REPORT NO. 2-2013-006; AND  
APPARENT VIOLATIONS**

Dear Mr. Shea:

This refers to an investigation completed on December 19, 2013, by the U.S. Nuclear Regulatory Commission's (NRC) Office of Investigations (OI) at Tennessee Valley Authority's (TVA) Sequoyah Nuclear Plant (Sequoyah). The purpose of the investigation was to determine whether TVA's contract fire watch personnel employed at Sequoyah deliberately failed to conduct fire watches required by NRC regulations and whether documentation of fire watches was falsified, as well as whether there was any managerial influence or involvement in the falsification. A Factual Summary, included as an enclosure, provides a summary of the staff's review of the facts of the case.

NRC investigators reviewed electronic key card reader records for the Emergency Diesel Generator (EDG) Building, conducted interviews with multiple TVA contract laborers and TVA contract foremen, reviewed training records, and reviewed TVA's procedural requirements. The NRC found instances in which TVA's contract laborers, including four foremen, deliberately failed to conduct compensatory hourly fire watches as required by TVA Procedure NPG-SPP-18.4.6 and falsified NPG-SPP-18.4.6-2 forms by initialing that fire watches were performed with knowledge that watches had not been performed. In addition, the NRC found that four foremen deliberately solicited the falsification of fire watch records and failed to exercise supervisory duties as required by Appendix A to NPG-SPP-18.4.6.

Based on the results of the investigation, two apparent violations (AV) against the licensee are being considered for escalated enforcement action 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 first apparent violation involves the requirements of 10 CFR 50.48 (a)(1), Fire Protection. Specifically, the licensee failed to meet Fire Protection Program requirements because TVA's contract employees deliberately failed to comply with the NPG-SPP-18.4.6, Control of Fire Protection Impairments procedure. Multiple instances were identified where four foremen willfully failed to exercise supervisory duties. In addition the foremen and other contract employees willfully failed to conduct hourly fire watch patrols in the Emergency Diesel Generator Building. This apparent violation is further described in enclosure 2, Apparent

Violations, and designated as AV 05000327, 05000328/2014008- 01, Failure to Implement Proper Control of Fire Protection Impairments.

The second apparent violation involves the requirements of 10 CFR 50.9(a), Completeness and Accuracy of Information. Specifically, the licensee failed to maintain records of hourly fire watch patrols that were complete and accurate in all material respects in that contract employees assigned to conduct roving fire watch patrols deliberately falsified Form NPG-SPP-18.4.6-2. Multiple instances were identified where hourly fire watch patrols deliberately falsified Forms NPG-SPP-18.4.6-2 by initialing that fire watches had been performed with knowledge that watches had not been performed. This apparent violation is further described in enclosure 2, Apparent Violations, and designated as AV 05000327, 05000328/2014008-02, Failure to Maintain Complete and Accurate Records of Fire Watches.

Before the NRC makes its enforcement decision, we are providing you an opportunity to (1) respond in writing to the apparent violations addressed in this inspection report within 30 days of the date of this letter, (2) request a Pre-decisional Enforcement Conference (PEC), or (3) request Alternative Dispute Resolution (ADR). If a PEC is held, the NRC will issue a press release to announce the time and date of the conference; however the PEC will be closed to public observation since information related to an Office of Investigations report will be discussed and the report has not been made public. If you decide to participate in a PEC or pursue ADR, please contact Michael King at 404-997-4511 within 10 days of the date of this letter. A PEC should be held within 30 days and an ADR session within 45 days of the date of this letter.

If you choose to provide a written response, it should be clearly marked as a "Response to Apparent Violations in NRC Inspection Report 05000327/2014008, 05000328/2014008 AND INVESTIGATION REPORT NO. 2-2013-006; EA-14-003" and should include for each apparent violation: (1) the reason for the apparent violation or, if contested, the basis for disputing the apparent violation; (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 previously docketed correspondence, if the correspondence adequately addresses the required response. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a PEC.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on these matters and any other information that you believe the NRC should take into consideration before making an enforcement decision. The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference would be conducted to obtain information to assist the NRC in making an enforcement decision. The topics discussed during the conference may include information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned.

In lieu of a PEC, you may also request Alternative Dispute Resolution (ADR) with the NRC in an attempt to resolve this issue. ADR is a general term encompassing various techniques for resolving conflicts using a third party neutral. The technique that the NRC has decided to employ is mediation. Mediation is a voluntary, informal process in which a trained neutral (the

“mediator”) works with parties to help them reach resolution. If the parties agree to use ADR, they select a mutually agreeable neutral mediator who has no stake in the outcome and no power to make decisions. Mediation gives parties an opportunity to discuss issues, clear up misunderstandings, be creative, find areas of agreement, and reach a final resolution of the issues. Additional information concerning the NRC's program can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>. The Institute on Conflict Resolution (ICR) at Cornell University has agreed to facilitate the NRC's program as a neutral third party. Please contact ICR at 877-733-9415 within 10 days of the date of this letter if you are interested in pursuing resolution of this issue through ADR.

In addition, please be advised that the number and characterization of apparent violations described in this inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," after completion of enforcement activities, a copy of this letter, its enclosure(s), and your response, if you choose to provide one, 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, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

For administrative purposes this letter is issued as Inspection Report 05000327/2014008 05000328/2014008 and the apparent violations are issued as AV 05000327, 05000328/2014008-01, and 02, as described above.

If you have any questions concerning this matter, please contact Michael King of my staff at 404-997-4511.

Sincerely,

*/RA/*

Joel T. Munday, Director  
Division of Reactor Projects

Docket No.: 50-327, 50-328  
License No.: DPR-77, DPR-79

Enclosures: 1. Factual Summary  
2. Apparent Violation

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Sincerely,  
**/RA/**  
 Joel T. Munday, Director  
 Division of Reactor Projects

Docket No.: 50-327, 50-328  
 License No.: DPR-77, DPR-79

Enclosures: 1. Factual Summary  
 2. Apparent Violation

PUBLICLY AVAILABLE                       NON-PUBLICLY AVAILABLE                       SENSITIVE                       NON-SENSITIVE  
 ADAMS:  Yes      ACCESSION NUMBER: \_\_\_\_\_                       SUNSI REVIEW COMPLETE       FORM 665 ATTACHED

OFFICE	RII:DRP	RII:DRP	RII:DRP	RII:EICS	OE	OGC	RII:EICS	NRR
SIGNATURE	/RA/	/RA/	/RA By MLesser for/	/RA/			/RA/	
NAME	JQuinoes	JBartley	JMunday	SSparks			SPrics	
DATE	11/25/2014	11/25/2014	12/1/2014	12/21/2014	12/ /2014	12/ /2014	12/21/201	12/ /2014
E-MAIL COPY?	YES NO	YES	YES NO	YES NO	YES NO			YES NO

OFFICIAL                      RECORD                      COPY DOCUMENT                      NAME:  
 \\NRC.GOV\NRC\R2\OFFICE\DRP\IRPB6\SEQUOYAH\ESC ENFORCMT\2014 FALSIFIED FIRE WATCH  
 SHEETS\SEQ FIRE WATCH - DRAFT CHOICE LETTER.DOCX

J. Shea

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Letter to Joseph W. Shea from Joel T. Munday dated December 29, 2014

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## **FACTUAL SUMMARY**

### **Office of Investigations Report No. 2-2013-006**

On December 19, 2013, the U.S. Nuclear Regulatory Commission's (NRC) Office of Investigations (OI), Region II, completed an investigation at the Tennessee Valley Authority's (TVA) Sequoyah Nuclear Plant (Sequoyah). The investigation examined whether TVA's contract fire watch personnel employed at Sequoyah deliberately falsified fire watch records, and whether there was any managerial influence or involvement in the falsification.

The pertinent facts are as follows:

During the months of October and November, 2012, TVA assigned contract laborers to conduct compensatory hourly fire watches during a fire impairment in the EDG Building.

10 C.F.R. § 50.48 requires, in part, that reactor licensees establish a Fire Protection Plan which describes the overall fire protection program for the findings, including administrative controls and personnel requirements for fire protection and normal fire suppression activities.

TVA Corporate Procedure NPG-SPP-18.4.6, Control of Fire Protection Impairments, Revision 1, is the implementing/controlling process for all Fire Protection impairments, and establishes the process for implementing compensatory actions for fire impairments. It defines the oversight responsibilities of the Licensee and of supervisory personnel, as well as the duties of fire watch personnel. The procedure requires individuals conducting fire watches to enter the EDG Building using an electronic key card entry and to perform the fire watch.

A review of electronic key card entry records demonstrates that on multiple occasions in October through November 2013, no fire watch personnel entered the EDG Building to conduct an hourly fire watch. In addition, on October 4 and 10, 2013, and on November 23, 25, 27, and 29, 2013, six fire watch personnel initialed NPG-SPP-18.4.6-2 forms attesting that they properly conducted hourly fire watches, when the fire watches had not been completed.

The six individuals stated they understood the NRC regulatory requirements and the Sequoyah procedural requirements, as well as the importance of fire watches. Three contract laborers (one a foreman) admitted not performing at least one compensatory hourly fire watch and falsifying a NPG-SPP-18.4.6-2 form during transcribed Office of Investigations interviews. Two TVA contractor foremen admitted soliciting the falsification of NPG-SPP-18.4.6-2 forms during transcribed interviews. The contract foremen knew that the fire watches had not been performed, but asked their subordinates to certify that the watches were completed to cover up fire watch lapses.

Additionally, in October through November 2012, four foremen admitted understanding their supervisory duties as provided in Appendix A, NPG-SPP-18.4.6, Section 3.6. This procedure states that "the Fire Protection Foreman communicates duties and responsibilities of the compensatory fire watches, will provide fire watch route information and any other pertinent information dealing with the fire watches".

## Apparent Violations

### 1. Failure to Perform Required Fire Watches

10 CFR 50.48, *Fire Protection*, requires that a licensee must have a fire protection plan that, in part, outlines the plans for fire protection, fire detection, suppression capability, and limitation of fire damage.

Sequoyah Nuclear Plant Units 1 and 2 Technical Specification 6.8.1.f requires, in part, that written procedures be established, implemented, and maintained covering the activities involved with Fire Protection Program implementation.

TVA Corporate Procedure NPG-SPP-18.4.6, Control of Fire Protection Impairments, Revision 1, requires, in part:

- Section 3.6.A, requires fire watch supervisors communicate fire watch requirements
- Section 3.2.6.A, states that fire watches are utilized for the surveillance of areas where fire protection systems are impaired.
- Section 4.2.B, states that Fire Watch Route Sheets will be retained by Fire Protection for 90 days.
- Appendix A, Section 3.2 requires fire watches to complete Form NPG-SPP-18.4.6-2 Fire Watch Route Sheet, as each area is patrolled.

Fire Protection Impairment Permit FOR120937 dated October 02, 2012, established an hourly fire watch for a diesel generator board room air intake fire damper that failed to close and was considered to be impaired.

Contrary to the above, on multiple occasions during October and November 2012, the licensee willfully failed to implement procedures covering the activities involved with Fire Protection Program implementation. Specifically, the designated fire watch foremen willfully failed to have proper oversight of fire watch activities. In addition TVA's contractors willfully failed to conduct roving fire watch patrols in the Emergency Diesel Generator Building. Specific examples include:

- Hourly fire watches in areas where fire protection systems were impaired were not performed on multiple occasions.
- Fire Watch Route Sheets were not retained by Fire Protection for 90 days as required by NPG-SPP-18.4.6 section 4.2.
- TVA's contact supervisors deliberately solicited individuals to falsify fire watch forms

This apparent violation is designated as AV 05000327, 05000328/2014008-01, Failure to Implement Proper Control of Fire Protection Impairments.

2. Failure to Maintain Complete and Accurate Records of Fire Watches

10 CFR 50.9 states, in part, that information required by the Commission's regulations, orders, or license conditions to be maintained complete and accurate in all material respects.

Sequoyah Nuclear Plant Units 1 and 2 Technical Specification 6.8.1.f requires, in part, that written procedures be established, implemented, and maintained covering the activities involved with Fire Protection Program implementation

NPG-SPP-18.4.6, Control of Fire Protection Impairments, Revision 1, Section 3.2.6.A, states that "Fire watches are utilized for the surveillance of areas where fire protection systems are impaired. The compensatory fire watch process is described in Appendix A".

Appendix A to NPG-SPP-18.4.6, Section 3.2.C, specifies compensatory fire watch duties and responsibilities, and requires that compensatory fire watches complete Form NPG-SPP-18.4.6-2 by entering the time and initials as each area is patrolled, and return it to the Fire Protection Foreman/designee at the end of the shift.

NPG-SPP-18.4.6 Rev. 0001, Section 4.2.B, specifies a 90 day retention for Form NPG-SPP-18.4.6-2, Fire Watch Route Sheet.

Fire Protection Impairment Permit FOR120937 dated October 2, 2012, established an hourly fire watch for a diesel generator board room because an air intake fire damper failed to close (was impaired).

Contrary to the above, on multiple occasions in October and November 2012, the licensee failed to maintain complete and accurate records of hourly fire watch patrols. These records were material to the NRC. Specifically, fire watch patrol records required by NPG-SPP-18.4.6, certified hourly fire watches were completed during the fire impairment in the Emergency Diesel Generator Building. However, the NRC has determined that in fact many fire watches were not performed. The hourly fire watch patrol data is material to the NRC because it provides evidence of compliance with NRC safety requirements.

This apparent violation is designated as AV 05000327, 05000328/2014008-02, Failure to Maintain Complete and Accurate Records of Fire Watches