



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION III  
2443 WARRENVILLE RD. SUITE 210  
LISLE, ILLINOIS 60532-4352

April 16, 2015

EA-14-237

Mr. Thomas A. Vehec  
Vice President  
NextEra Energy Duane Arnold, LLC  
3277 DAEC Road  
Palo, IA 52324-9785

SUBJECT: FINAL SIGNIFICANCE DETERMINATION OF A WHITE FINDING WITH  
ASSESSMENT FOLLOWUP AND NOTICE OF VIOLATION;  
NRC INSPECTION REPORT NO. 05000331/2015010;  
DUANE ARNOLD ENERGY CENTER

Dear Mr. Vehec:

This letter provides you the final significance determination of the preliminary White finding discussed in our previous communication dated February 19, 2015, which included U.S. Nuclear Regulatory Commission (NRC) Inspection Report No. 05000331/2014011. This report is available in the NRC's Agencywide Documents Access and Management System (ADAMS) at Accession Number ML15050A653. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. The finding involved delamination of the coating inside the torus.

In a telephone conversation with Ms. Christine Lipa of NRC, Region III, on February 28, 2015, and in a letter dated February 27, 2015, (ML15063A031), the Plant Manager, Mr. Glen Pry, indicated that NextEra Energy Duane Arnold, LLC, (NextEra) declined the opportunity to discuss this issue in a Regulatory Conference; however, NextEra would provide a written response. On March 23, 2015, you provided a written response to the NRC's preliminary determination letter (ML15085A051). This March 23, 2015, letter did not contest the characterization of the risk significance of the finding. By the letter, you declined your opportunity to discuss this issue in a Regulatory Conference or to provide a position on the finding in writing. You acknowledged that in doing so, you relinquished the right to appeal the final significance determination of the finding.

After considering the information developed during the inspection, the NRC has concluded that the finding is appropriately characterized as White, a finding of low-to-moderate risk significance. According to NRC Inspection Manual Chapter (IMC) 0609, Attachment 2, "Process for Appealing NRC Characterization of Inspection Findings (SDP Appeal Process)," appeal rights only apply to those licensees that have either attended a Regulatory Conference or submitted a written response to the preliminary determination letter. As noted previously, you declined these options, and thus, do not meet the criteria for appealing the significance of the finding.

The NRC has also determined that the failure of NextEra involved a violation, as cited in the Notice of Violation (Notice) found in the Enclosure. The circumstances surrounding the violation were described in detail in NRC Inspection Report No. 05000331/2014011. In accordance with the NRC Enforcement Policy, the Notice is considered an escalated enforcement action, because it is associated with a White finding.

The NRC has concluded that the information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance will be achieved is already adequately addressed on the docket in NRC Inspection Report No. 05000331/2014011 and in your letter dated March 23, 2015. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position.

As a result of our review of Duane Arnold's performance, including this White finding, we have assessed the unit to be in the Regulatory Response column of the NRC's Action Matrix, effective the first quarter of 2015. Therefore, we plan to conduct a supplemental inspection using Inspection Procedure 95001, "Inspection for One or Two White Inputs in a Strategic Performance Area," when your staff has notified us of your readiness for this inspection. This inspection procedure is conducted to provide assurance that the root cause and contributing causes of risk-significant performance issues are understood, the extent of condition and the extent of cause are identified, and the corrective actions are sufficient to prevent recurrence.

For administrative purposes, this letter is issued as NRC Inspection Report No. 0500331/2015010. Additionally, apparent violation (AV) 05000331/2014011-01 is now closed and violation (VIO) 05000331/2014011-01 is opened in its place.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Section 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, 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 ADAMS. To the extent possible, your response should not include any

T. Vehec

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personal privacy, proprietary, or safeguards information, so that it can be made available to the public without redaction. The NRC also includes significant enforcement actions on its Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>.

Sincerely,

***/RA Patrick L. Loudon Acting for/***

Darrell J. Roberts  
Acting Regional Administrator

Docket Nos. 50-331  
License No. DPR-49

Enclosure:  
Notice of Violation

cc w/encl: Distribution via LISTSERV®

## NOTICE OF VIOLATION

NextEra Energy Duane Arnold, LLC  
Duane Arnold Energy Center

Docket No. 50-331  
License No. DPR-49  
EA-14-237

During a U.S. Nuclear Regulatory Commission (NRC) inspection conducted from October 21, 2014, to January 8, 2015, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

Title 10 of the Code of Federal Regulations (10 CFR) Part 50, Appendix B, Criterion IX, "Control of Special Processes," requires, in part, that measures be established to assure that special processes, including welding, heat treating, and nondestructive testing, are controlled and accomplished by qualified personnel using qualified procedures in accordance with applicable codes, standards, specifications, criteria, and other special requirements.

Section 1.8.30 of the Updated Final Safety Analysis Report, "RG [Regulatory Guide] 1.54, 'Quality Assurance Requirements for Protective Coatings Applied To Water-Cooled Nuclear Power Plants,' stated, in part, "The application of a special protective coating shall be controlled as a special process when the failure (i.e., peeling or spalling) of the coating to adhere to the substrate can cause the malfunction of a safety-related, important to safety, or selected other structure, system or component." This section also stated "Special process coatings shall be applied by qualified personnel using qualified materials and equipment, and approved procedures." Section 6.1.2 of the Updated Final Safety Analysis Report, "Organic Materials," stated, in part, that "Coating qualified for use inside primary containment (i.e., safety related, Service Level I) are qualified and controlled under the DAEC [Duane Arnold Energy Center] Protective Coatings Program." It also stated "In the case of Service Level I coatings system laboratory testing, irradiation and DBA [Design Bases Accident] testing are included in the qualification process."

Contrary to the above, from November 5 to 10, 2012, the licensee failed to establish measures to assure that special processes were controlled and accomplished using qualified procedures in accordance with applicable standards and criteria. Specifically, the licensee did not control the application of the torus coating, a special process, because the requirements associated with wet film thickness measurements and conditions for recoat application, for example, that were contained in design specifications and vendor documentation were not included in procedures.

This violation is associated with a White Significance Determination Process finding.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence and the date when full compliance will be achieved is already adequately addressed on the docket in NRC Inspection Report No. 05000331/2014011 and in your letter dated March 23, 2015. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201, if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation, EA-14-237", and send it to the U.S. Nuclear Regulatory Commission, ATTN:

Enclosure

Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region III, 2443 Warrenville Road, Suite 210, Lisle, IL 60532, and a copy to the NRC Resident Inspector at the Duane Arnold Energy Center, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

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, U. S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

If you choose to respond, 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>. Therefore, 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.

In accordance with 10 CFR 19.11, you may be required to post this Notice within 2 working days of receipt.

Dated this 16th day of April, 2015.

personal privacy, proprietary, or safeguards information, so that it can be made available to the public without redaction. The NRC also includes significant enforcement actions on its Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>.

Sincerely,

***/RA Patrick L. Loudon Acting for/***

Darrell J. Roberts  
Acting Regional Administrator

Docket Nos. 50-331  
License No. DPR-49

Enclosure:  
Notice of Violation

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DATE	03/31/15	03/31/15	03/31/15	03/31/15	04/13/15	04/14/15	04/16/15

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<sup>1</sup> Per email from John Wray, OE with no comments dated April 13, 2015.