



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

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

November 24, 2015

EA-15-171

Mr. Anthony Vitale
Vice President, Operations
Entergy Nuclear Operations, Inc.
Palisades Nuclear Plant
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: PALISADES NUCLEAR PLANT – NOTICE OF VIOLATION
NRC INSPECTION REPORT NO. 05000255/2015012

Dear Mr. Vitale:

This refers to the inspection completed on August 19, 2015, at the Palisades Nuclear Plant. The purpose of the inspection was to perform an operability determination and functional assessment review to ensure that activities were being performed in accordance with U.S. Nuclear Regulatory Commission (NRC) requirements. During the inspection, an apparent violation of NRC requirements was identified. The significance of the issue and the need for lasting and effective corrective actions was discussed with your staff during the exit meeting held on August 19, 2015. Details regarding the apparent violation were provided in NRC Inspection Report No. 05000255/2015012, dated September 17, 2015. This report is available in the NRC's Agencywide Documents Access and Management System (ADAMS) at Accession Number ML15261A576 and is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violation identified in the report by either attending a predecisional enforcement conference or by providing a written response before we made our final enforcement decision. In letters dated October 17 and October 28, 2015, you provided a response to the apparent violation.

Based on the information developed during the inspection and the information that you provided in your responses to the inspection report, dated October 17 and 18, 2015 (ML15292A005 and ML15301A738), the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The violation of Title 10 *Code of Federal Regulations* (CFR) 50.9 involves the failure to provide information to the NRC that was complete and accurate in all material respects in letter PNP 2014-015, "Relief Request Number 4-18 - Proposed Alternative Use of Alternate ASME [American Society of Mechanical Engineers] Code Case N-770-1 Baseline Examination," submitted to the NRC on February 25, 2014 (ML14056A533). This issue resulted from an error in a calculation supporting the analysis results provided in your February 25, 2014, letter, and, once identified by your staff, was promptly reported to the NRC.

The issue is not a current safety concern because your staff subsequently demonstrated an adequate basis for continued operability of the nine affected primary coolant system welds.

The failure to provide complete and accurate information is of significant safety concern to the NRC because the inaccurate information impacted the NRC's ability to perform its regulatory function. The NRC relied on the inaccurate information to make a licensing decision approving Relief Request 4-18. If the information had been correct the NRC would have undertaken substantial further inquiry and reconsidered its regulatory position. Therefore, this violation has been categorized in accordance with the NRC Enforcement Policy at Severity Level III.

In accordance with the NRC Enforcement Policy, a base civil penalty in the amount of \$70,000 is considered for a Severity Level III violation.

Because your facility has been the subject of escalated enforcement actions within the last 2 years¹ the NRC considered whether credit was warranted for *Identification* and *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the Enforcement Policy. Credit for identification was warranted since on May 22, 2015, a letter was submitted to the NRC identifying that a discrepancy was discovered in one of the calculations that supported Relief Request 4-18. The NRC considered the information provided in the inspection report and in your letters dated October 17 and 28, 2015. Corrective actions included: (1) submitting Relief Request 4-21, on May 22, 2015 (ML15147A616) correcting the errors in the original calculations; (2) requiring Palisades Nuclear Plant employees to complete training on 10 CFR 50.5 and 50.9 regulations; (3) revising procedure EN-HU-104 to require that pre-job briefs for complex technical work beyond Entergy Nuclear Operations capability use all appropriate human performance attachments to ensure a full discussion of human performance tool usage; and (4) the Engineering Director presenting lessons learned to engineering staff.

Therefore, to encourage prompt identification and comprehensive correction of violations, I have been authorized, after consultation with the Director, Office of Enforcement not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty.

The NRC has concluded that information regarding: (1) the reason for the violation; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance will be achieved is already adequately addressed on the docket in your letters, dated October 17 and 28, 2015. Therefore, you are not required to respond to this letter unless the description in your letters does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response, if any, will be made available electronically for public inspection in the NRC Public Document Room and in 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. If personal privacy or proprietary information is

¹ A Confirmatory Order was issued on July 21, 2014, resulting from an ADR session involving willful violations by security staff (ADAMS ML14203A082).

A. Vitale

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necessary to provide an acceptable response, please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such information, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). The NRC also includes significant enforcement actions on its Web site at (<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>).

Sincerely,

/RA/

Cynthia D. Pederson
Regional Administrator

Docket No. 050-00255
License No. DPR-20

Enclosure:
Notice of Violation

cc: State of Michigan
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NOTICE OF VIOLATION

Entergy Nuclear Operations, Inc.
Palisades Nuclear Plant

Docket No. 050-0255
License No. DPR-20
EA-15-171

During a U.S. Nuclear Regulatory Commission (NRC) inspection conducted from March 23 to August 19, 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) 50.9(a) requires that information provided to the Commission by an applicant for a license or by a licensee or information required by statute or by the Commission's regulations, orders, or license conditions to be maintained by the applicant or the licensee shall be complete and accurate in all material respects.

Licensee Letter No. PNP 2014-015 "Relief Request Number RR 4-18 - Proposed Alternative, Use of Alternate ASME [American Society of Mechanical Engineers] Code Case N-770-1 Baseline Examination," dated February 25, 2014, Attachment 1, "Relief Request Number RR 4-18 Proposed Alternative," paragraph titled "Structural Evaluation," states, "ASME Code acceptance criteria are satisfied for 60 effective full power years for a circumferential flaw, and more than 34 years for an axial flaw assuming crack initiates at day one." Attachment 3, "Structural Integrity Associates, Inc. Memorandum - Evaluation of the Palisades Nuclear Plant Hot Leg Drain Nozzle for Primary Water Stress Corrosion Cracking," paragraph titled "Conclusions" states, "In the unlikely case that crack initiation were to occur, crack growth calculations considering PWSCC as the failure mechanism demonstrate that the hot leg drain nozzle weldment satisfies ASME Code acceptance criteria for 60 effective full power years for a circumferential flaw, and more than 34 years for an axial flaw."

Contrary to the above, on February 25, 2014, the licensee failed to provide information to the Commission that was complete and accurate in all material respects. Specifically, the licensee submitted Letter No. PNP 2014-015 to the NRC, which inaccurately stated the effective full power years for which the ASME Code acceptance criteria would be met. The NRC staff used this information to grant the licensee's proposed alternative to regulatory requirements. On May 22, 2015, the licensee submitted Letter PNP 2015-037 with a corrected analysis that states, in part, the hot leg drain nozzle weldment satisfies ASME Code acceptance criteria for 20 effective full power years for a circumferential flaw, and 11.3 years for an axial flaw. The error in letter PNP 2014-015, and resultant change to the analysis results in letter PNP 2015-037, represented a significant reduction in the time to reach the ASME Code acceptance criteria limits and was, therefore, information considered material to the NRC for review of the proposed alternative to regulatory requirements in letter PNP 2014-15.

This is a Severity Level III violation (Section 6.9).

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 letters from the licensee dated October 17 and 28, 2015 (ML15292A005 and ML15301A738). 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-15-171)," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region III, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice of Violation (Notice), within 30 days of the date of the letter transmitting this Notice.

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room or in 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, the response 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 two working days of receipt.

Dated this 24th day of November, 2015.

necessary to provide an acceptable response, please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such information, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). The NRC also includes significant enforcement actions on its Web site at (<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>).

Sincerely,

/RA/

Cynthia D. Pederson
Regional Administrator

Docket No. 050-00255
License No. DPR-20

Enclosure:
Notice of Violation

cc: State of Michigan
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ADAMS Accession Number ML15328A534

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DATE	11/13/15	11/17/15	11/18/15	11/20/15	11/20/15	11/24/15

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²OE & NRR concurrence provided via e-mail from K. Hanley on November 20, 2015.

Letter to Mr. Anthony Vitale from Ms. Cynthia D. Pederson dated November 24, 2015

SUBJECT: PALISADES NUCLEAR PLANT – NOTICE OF VIOLATION
NRC INSPECTION REPORT NO. 05000255/2015012

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